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Deeper Into East's Past: Hungary Sheltered Carlos

By Barry James
International Herald Tribune

In a new insight into the role of Communist regimes in international terrorism, a Hungarian government minister said Wednesday in Budapest that his country had sheltered the notorious assassin and hostage-taker known as Carlos at a time he was being hunted throughout the world in the late 1970s and the early 1980s.

The revelations in several East European countries about terrorist involvement threatened to open ugly wounds in newly established and still fragile democracies, as investigators plunge deeper into the past and identify the culprits of the old regimes.

In 1984, the United States warned Bulgaria, Czechoslovakia, East Germany, Hungary, Poland and Romania that they could not expect their relations with Washington to improve until they ceased their involvement in international terrorism and espionage. Details of the U.S. charges were never made public, but are slowly coming into the open now.

Balazs Horvath, the Hungarian interior minister, said Carlos — the nom de guerre of a Venezuelan-born terrorist called Illich Ramirez Sánchez — and his associates were sheltered in Hungary with the full knowledge of the ruling Politburo, possibly including the deposed party leader, Janos Kadar.

Carlos, a member of the Popular Front for the Liberation of Palestine, is thought to have been responsible for a series of terrorist attacks in Western Europe and the Middle East. His most dramatic exploit was taking as hostages 11 oil ministers attending an OPEC conference in Vienna in 1975.

In 1984, Palestinian sources said Carlos was in Libya working for Libyan intelligence. But two years later, the Israeli newspaper Davar said Carlos had been killed by Libyan agents because he knew too much about Middle Eastern intelligence networks. The report has never been confirmed.

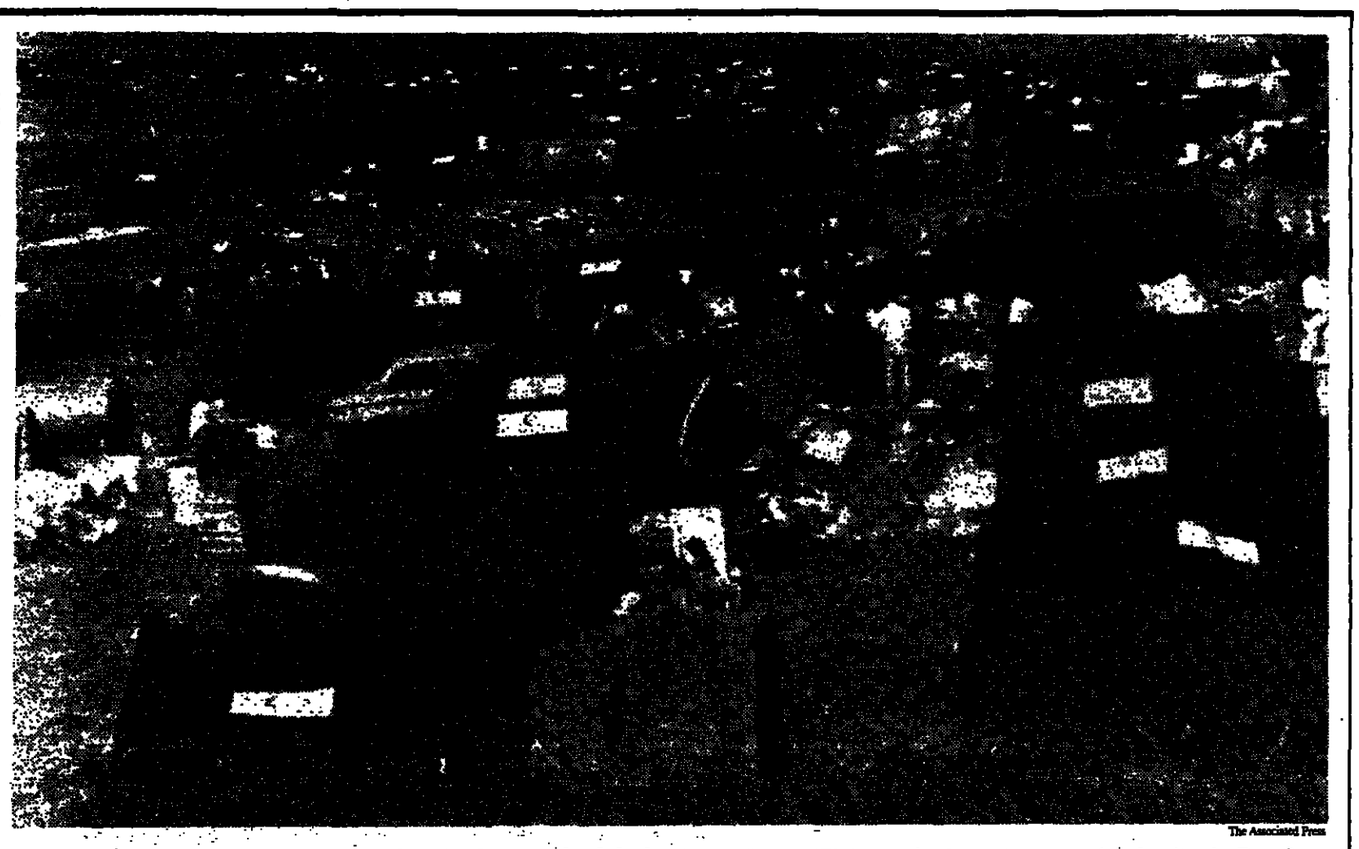
Mr. Horvath ordered the public prosecutor to begin investigating whether Mr. Kadar and other prominent officials were responsible for sheltering Carlos. The others include Karoly Nemeth, head of state from 1986 to 1988 and Andras Benkei, interior minister from 1963 to 1980.

Earlier this month, the East German government arrested eight suspected members of the old Baader-Meinhof gang in West Germany, and accused Erich Honecker, the deposed Communist leader, of sheltering them. This cleared up doubts about their whereabouts — some reports had put them in the Middle East — but also threatened to renew West Germany's trauma over terrorism in the 1970s if they come to trial in a unified country.

The opening of Eastern Europe could provide clues to a number of unresolved crimes. Was Bulgaria, for example, really behind the attempt to assassinate Pope John Paul II in 1981? Did its agents murder the dissident writer Georgi Markov in London in 1978? Was Bulgaria involved in an alleged plot to kill the Polish Solidarity leader, Lech Walesa, during a visit to Italy in 1981? The answer to these and other questions may have to wait, since Bulgaria has merely revised rather than overthrew its Communist system.

But more concrete details may come out of the countries that have embraced democracy. To what extent, for example, did Czechoslovakia supply terrorist groups with plastic explosives and weapons? How was the notorious Abu Nidal terrorist network able to raise funds through a Polish dummy company for at least four years in the

See CARLOS, Page 4



The Associated Press

REFUGE FOR HOMELESS — Iranians left homeless by the quake sheltering in tent city near Klishom as foreign assistance continued to flow in. Page 2.

U.S. Ruling Backs Affirmative Action

Court Halts Trend of Cutting Back Preferential Programs for Minorities

By Ruth Marcus
Washington Post Service

WASHINGTON — The U.S. Supreme Court, in a major victory for affirmative action, ruled Wednesday that Congress had broad powers to mandate government policies that give preference to racial or ethnic minorities.

The 5-to-4 decision, upholding the constitutionality of two programs by the Federal Communications Commission that give preference to minorities in awarding broadcast licenses, represented a surprising lift for civil-rights groups from a conservative Supreme Court.

The justices, in a ruling that consolidated two cases, said the commission policies did not discriminate unlawfully against whites. The court did not address the issue of women's rights, but the commission's affirmative action policies treat women and minorities almost identically.

In a case from Florida, the court allowed the commission to give special consideration to minorities in awarding a television station license. In a case from Connecticut, the court upheld the commission's "distress sale" policy, which allows a broadcaster faced with the loss of its license to sell to a minority-owned business at 75 percent of market value.

The ruling marked the first time the court has found that minority preference plans may be justified by a goal other than remedying past discrimination — in this case, promoting the diversity of broadcast programming.

The court also for the first time made clear that congressional affirmative action programs can be constitutional as long as "they serve important governmental objectives" and are "substantially related to the achievement of those objectives."

"The commission's minority ownership policies bear the imprimatur of longstanding congressional support and direction and are substantially related to the achievement of the important governmental objective of broadcast diversity," Justice William J. Brennan said, writing for the majority.

The Bush administration had argued that congressional programs had to meet the same "strict scrutiny" test as state and local preference plans, which the court has said must be "narrowly tailored" to serve a "compelling" interest.

In its most important previous ruling on preferential minority treatment by the federal government, a more liberal Supreme Court in 1980 upheld a public works program that set aside a percentage of federal funds for minority contracts.

More recently, however, the court has trimmed affirmative action programs.

The court has been increasingly hostile in recent years to the idea of racial classifications. Last year, in a

See COURT, Page 4

Moscow Congress On Track

Draft Party Plank Pulls Back From Leninist Ideas

By David Remnick
Washington Post Service

MOSCOW — The ideological chief of the Soviet Communist Party, Vadim A. Medvedev, said Wednesday that he expected the 28th Party Congress to open next week as scheduled, despite calls for a postponement by many party members.

"The train has already left the station and we should stick to the original date," Mr. Medvedev said at a press conference.

At the same time, the party published a draft platform that included a subtle distancing from traditional Marxist-Leninist ideology and a limited endorsement of private property.

A source in the party said the general secretary, Mikhail S. Gorbachev, and two of his close allies on the Politburo, Eduard A. Shevardnadze and Alexander N. Yakovlev, were considering putting off the congress to avoid a barrage of conservative attacks.

The conservatives, led by Ivan Polozkov, the Russian party leader, and Yegor K. Ligachev, a Politburo member, slammed the party leadership at a conference here last week and could well dominate the podium at the congress.

The Central Committee will hold a session Friday in preparation for the Congress and will make the final decision on a starting date. Boris N. Yeltsin, president of the Russian Republic, predicted there would be "a great struggle" over the question of a postponement. The Central Committee, which is still filled with conservative old-guard leaders, is likely to want to hold the congress on schedule, especially if Mr. Gorbachev himself does not push hard for postponement.

The Russian Communist Party conference last week was a bracing experience for Mr. Gorbachev, who came under constant fire for "losing" Eastern Europe and straying from ideological orthodoxy. Delegates from the Russian conference will be a majority at the national congress, which has 4,700 delegates. Other traditionally conservative regions, such as Central Asia, will only add to that fundamentalist bloc.

Writing in the weekly Literaturnaya Gazeta, Fyodor Burlatsky, the editor, said that the chorus of conservative criticism at the Russian conference was both painful and instructive: "The conference taught a crucial lesson for the intelligentsia. Moscow and Leningrad are not all of Russia." He said that often the country's elite tend to focus on the radical activity in the country's two biggest cities while failing to remember the widespread anxieties in the provinces about whether the reforms are somehow leading to ruin.

Mr. Ligachev, who called on Mr. Gorbachev to step down as general secretary and criticized him for ignoring the party, will inevitably speak out on conservative positions at the session, but told Radio Moscow, "I don't think that anything unpredictable will take place at the congress."

Mr. Gorbachev has said he will continue to hold both the presidency of the Soviet Union and the top post in the Communist Party. Mr. Medvedev said that Mr. Gorbachev's prestige was essential to the rebuilding of the party.

The radical group Democratic Platform has growing support among intelligentsia and grass roots membership in the party, but will have only about 125 representatives at the Congress. Since the beginning of the year, people have been quitting the party at a rate three to four times as fast as they are joining. Democratic Platform members said they are likely to quit if the congress does not satisfy their

See CONGRESS, Page 4

Latin Trade Zone Proposed by Bush

Compiled by Our Staff From Dispatches

WASHINGTON — President George Bush proposed "a new economic partnership" with Latin America on Wednesday, including a hemispheric free-trade zone, incentives for free-market change and cancellation of some U.S. government loans.

With the U.S. foreign aid budget stretched beyond fiscal limits, the proposal included a series of measures to bolster emerging democracies and developing market economies through measures other than direct assistance.

Key among them were efforts to further integrate Latin America into the world trading system, lower tariffs on major Latin American exports and turn the Americas "into a free-trade zone stretching from the port of Anchorage to Tierra del Fuego."

Mr. Bush, speaking at the White House to Latin American diplomats and American business executives, also proposed "debt for nature" swaps to encourage Third World countries to protect natural resources.

Mr. Bush said his trade proposal was concerned "particularly with groups of countries that have associated for the purposes of trade liberalization."

The Central American nations recently agreed to form an economic unit known as the Central American Economic Community, and there have been several other attempts by Latin American countries to cooperate on trade and economic matters.

The United States already has an open trade policy with Canada and is discussing a similar arrangement with Mexico.

Mr. Bush made these proposals:

- "That we begin the process of creating a hemisphere-wide free trade zone."
- "To increase investment, that we adopt measures to create a new flow of capital into the region."
- "And to further ease the burden of debt, a new approach to debt in the region, with important benefits for our environment."

Mr. Bush said he was proposing a "major new initiative to reduce Latin America and the Caribbean's official debt to the U.S., for countries that adopt strong economic and investment reform programs with the support of international institutions."

Specifically, the White House called for "substantial reduction and restructuring" of existing U.S.

See LATIN, Page 4

Bush's About-Face: Gain in Taxes, Loss of an Asset

By Richard L. Berke
New York Times Service

WASHINGTON — In the eyes of many Republicans, President George Bush has abandoned much more than his campaign pledge not to raise taxes.

With just a few words, he holstered his party's best tactical weapon for the congressional campaigns this year, a weapon that the Republicans have used to distinguish themselves since the dawn of the Reagan era.

Conservatives complained loudly, and even moderate Republicans worried that Mr. Bush had crippled a party already suffering from the diminished impact of such issues as the Communist threat and protecting the American flag.

"I'm upset, I really am," said Jim Dingeman, a Republican businessman who has made resistance to new taxes the centerpiece of his campaign for Congress in a district northeast of Detroit. "But there's not much I can do except to continue to urge the president to maintain his original promise."

David A. Keene, a conservative consultant, worried that Mr. Bush had taken a "very dangerous" step by giving up a "key defining issue without what might be viewed as a significant explanation."

Still, although some Republicans viewed Mr. Bush's announcement on Tuesday as a serious tactical blunder, others said he had simply been forced to choose between two painful alternatives: breaking a pledge that had been a principal element of his 1988 election campaign, and risking a recession if he took no decisive steps to cut the 1991 budget deficit, which is projected at $160 billion.

In this view, Mr. Bush has wisely seized a final chance to save the economy, in the process saving the Republicans from future political damage and himself from a threat to re-election in 1992.

But for Republican members of Congress, the unmistakable message was that their party leader was trading away their political advantage in 1990 to strengthen himself two years from now.

On Capitol Hill, Representative Robert S. Walker of Pennsylvania said more than 90 of his Republican colleagues had signed a letter that he circulated that contained this terse message for Mr. Bush:

"We were stunned by your announcement that you would be willing to accept tax revenue increases as a part of a budget summit package. A tax increase is unacceptable."

Party leaders expressed confidence that they could keep

See BUSH, Page 4

NEWS ANALYSIS

Acceptance of a tax rise carries risk of recession. Page 9.
Forecasts show the economy avoiding a slump. Page 12.

Kiosk

Gorbachev Sees Vilnius Leaders

MOSCOW (Reuters) — The leaders of Lithuania unexpectedly flew to Moscow on Wednesday for a meeting with President Mikhail S. Gorbachev, a Lithuanian spokesman reported.

He said President Vytautas Landsbergis and Prime Minister Kazimiera Prunskiene of Lithuania headed a delegation seeking to end the stalemate between the Soviet government and advocates of immediate Lithuanian secession.

The envoys returned home after the meeting, the second in two days between Mr. Landsbergis and Mr. Gorbachev.

General News

Moscow reversed itself, agreeing to limits in its Central Europe tank arsenal. Page 2.

The first world conference of overseas Americans is deluged by the response. Page 5.

Business/Finance

The EC Commission ordered British Aerospace PLC to repay £44.4 million of aid it received to buy Rover Group. Page 9.

Crossword Page 8.

Dow Close
Up
19.80
2,862.13

The Dollar In New York

DM	1.665
Pound	1.742
Yen	154.50
FF	5.595

WORLD CUP GRANDSTAND

The Sweet and the Sour

There was a touch of sweetness in the goal that put England in the quarterfinals: Dedicated to Bryan Robson, it was scored by a man substituting for the team's injured captain. But it left the losing Belgians with a sour taste, and the loss was keenly felt in Mexico.

Africa's Gain, Europe's Loss

FIFA's president, João Havelange, said African teams, following Cameroon's extraordinary success, deserve and "will automatically get" a third spot in the '94 finals, at the expense of Europe.

Their Pride and Passion, the Azzurri

When it is writ in stone that Trattoria Luigi always closes on Monday and Trattoria Pesole always closes on Tuesday, and both close the same day, what does it mean? That the beloved Azzurri, the passion of Italy, are playing a match.

World Cup report: Pages 16 and 17

German Gets 5 Years for Libya Chemical Plant

By Marc Fisher
Washington Post Service

BONN — A West German businessman who helped Libya build a suspected poison-gas plant was sentenced Wednesday to a five-year prison term, as government sources said they were investigating two more companies suspected of helping build another such Libyan facility.

They said West Germany has received CIA air surveillance photographs showing construction of an underground facility at Sebha, 100 kilometers (about 60 miles) from the plant that Imhausen-Chemie helped build at Rabta.

The sources said the photos indicate that Libya is constructing a high-technology facility that could be a factory for poison gas.

They added that the two West German companies, Rose of Stuttgart and Abacus in Ulm, are suspected of sending Libya materials that closely follow the plans Imhausen developed for the original Libyan plant.

Both Abacus and Rose refused to comment on Wednesday.

Prosecutors also said they have started investigations into West German businessmen, an Iraqi middleman and a Belgian transport company suspected of helping the Libyans on the Rabta plant.

The sentence given Jürgen Hippenstiel-Imhausen was 18 months less than that demanded by a prosecutor who called him a "supreme salesman of death." Some opposition legislators denounced the sentence as too light.

Most of the sentence stemmed from Mr. Imhausen's conviction on tax evasion rather than violation of West Germany's recently toughened law against the export of chemical and biological weapons.

Judge Jürgen Henninger said that Mr. Imhausen "knowingly delivered to Libya an installation suitable for the production of poison gas weapons" and had covered up his company's involvement.

But the judge said the criminal court was "not the place for a moral judgment of the accused" or for a parliamentary investigation.

Mr. Imhausen pleaded guilty to secretly selling the $150 million Rabta plant to Libya, which claims that the factory made medicines. Prosecutors said the plant was designed to make two kinds of nerve gas. Mr. Imhausen called it a "multipurpose chemical facility."

Mr. Imhausen, who said he made $12 million on the deal, said he worked with a Libyan partner to use a Hong Kong company as a cover for the illegal export. Materials were marked for export to Hong Kong.

-AP

Jürgen Hippenstiel-Imhausen at his sentencing Wednesday.

Awaiting Capitalism, a German Town Surrenders to Future

By Serge Schmemann
New York Times Service

TETEROW, East Germany — The current task of the biggest employer in Teterow is to work itself out of a job. But that is what most of East Germany is doing these days.

Mechanics at the biggest local enterprise, which used to repair military vehicles, are spending most of their time dismantling armored personnel carriers under the new government's disarmament program.

Not surprisingly, an employee arriving for the evening shift with a supply of beers slung from his bicycle seems bemused by a question about his "prospects."

"We will all be sacked," he said with a smile and a shrug. "What did you think?"

His attitude is a common one in a country that appears to be in a state of disassembly as it awaits the economic merger with West Germany on Sunday.

Forecasts of what might result run the gamut, from widespread unemployment and social upheaval to a second "German miracle," an economic boom fed by the melding of 16 million more hungry, hard-driving Germans into the powerhouse West German economy.

Either way, nobody expects it to be easy, especially in the beginning. But after a year of extraordinary upheaval and high emotion, an attitude of trusting surrender seems to pervade Teterow, a town of 11,600 some 100 miles (160 kilometers) north of Berlin.

"Many people wanted change, and now we have to put up with the things that come with it," said Hermann Gorg, a 50-year-old worker at a local company that builds assembly lines and other tools for automation. "There's nobody here who can say his job is secure. Me, I'm skeptical about how things will go after July 1. But we have to say that after 40 years, things have to become better."

Mr. Gorg's factory, formally known as Construction of Means to Rationalize Production, is only marginally better suited to survive than the military repair shop. East German automation equipment is not up to Western standards.

West German business has not shown much interest in Teterow's industrial enterprises, and the other local mainstay, agriculture, is certain to suffer from competition with the far more efficient farms in the West. Officials say unemployment here could reach 50 percent by the end of the year.

More broadly, the East German north does not have the industrial tradition of the south. But then far fewer northerners fled to West Germany during the exodus of the last year, suggesting stronger roots and perhaps more pride.

Teterow may not have much by way of tourist attractions, but it has been around for 12 centuries, and most people here have no intention of moving.

In any case, the uncertainty of the future seems balanced here by a faith that "they" — the all-purpose catchword for the higher authorities, whether they be political leaders, economic managers or the West German government — will not abandon the folk. And there is the sense that things had to change.

"Something had to happen," said the worker at the weapon-repair shop. "It could not go on that way. And anyway, after July 1 we will still have the 12,000 D-marks. They can't put us out on the street with that."

The sum, equivalent to $7,126, is what the worker will be allowed to convert from East German to West German marks when the currencies are merged on July 1 — 4,000 apiece for him and his wife, 2,000 for each of his two children. Along with the money comes the promise that the broad West German social net will extend to the east, and that "they" will not let Teterow simply collapse.

He has worked at the same company for 21 of his 39 years and intends to stay in town. Behind him, a large sign declared, "Our goal for the 1990 production year: once again the title 'Enterprise of Superior Quality.' "

"Maybe they will sack us all and take us back two months later," he said. "Who knows? Maybe we will be unemployed for only a year. Maybe they'll keep 200 people. But they have to do something; it's a big factory for Teterow."

Patience Runs Out, and Intifada Finds Jerusalem

By Jackson Diehl
Washington Post Service

JERUSALEM — A pipe bomb exploded early this week at a bus stop in the West Jerusalem neighborhood of Baka, wounding two women on their way to work. Hours later, masked Arabs threw stones at a kindergarten in the Jewish suburb of Neve Yaacov, north of Jerusalem, renewing the recent running battle raging between Arabs and Jews in the area.

In short, another bad day for Jerusalem — which in a summer of sagging hopes and mounting tension has emerged as the latest focus of confrontation between Israeli Jews and Palestinians. In the last few weeks, the city has seen a relentless cycle of aggression and retaliation take hold, stepping up the fault lines of hatred between Arab and Jewish neighborhoods.

"Something has been breached," said a spokeswoman for Mayor Teddy Kollek. "Bonds have been broken, emotions have been unleashed that have found their answer on the other side. It's a very difficult time."

The events on Tuesday continued 12 days of violence in Jerusalem, which has prided itself on avoiding most of the clashes and killings of the *intifada*, or Arab uprising, in the occupied West Bank and Gaza Strip. Last week, two Palestinians died and three Arab neighborhoods were put under curfew after clashes between protesters and policemen. The riots began June 20, and grew after the police opened fire on protesters in Silwan, a village just below the Mount of Olives.

Jews in Neve Yaacov and Arabs in the village of Dahyat Barid, barely separated by the police, have been battling since Saturday across the weedy lot between their communities. Arabs charge that the police have stood by as Jews from Neve Yaacov have rampaged among their homes, smashing windows with stones and bars.

Jewish residents say they have been come under a steady hail of stones and firebombs from young Arabs. "We want to kill the Arabs," said Illen Revivo, one of a group of teenagers standing near the seam of Neve Yaacov and Dahyat Barid on Wednesday, behind a police line.

Said a shopkeeper, Hanna Sheriff, "They've brought us to a situation where it's either us or them."

The surge of violence has been predicted by both Israeli and Palestinian leaders since the breakdown this spring of a U.S. effort to set up Israeli-Palestinian negotiations was followed by several spectacular acts of terror. They included the mass killing of Palestinian workers by an Israeli gunman in May and a subsequent, foiled speedboat attack by Palestinian guerrillas on Israeli beaches.

Palestinians say they have been particularly antagonized by the formation of a new rightist government under Prime Minister Yitzhak Shamir and the break in political contacts between the United States and the Palestine Liberation Organization.

A senior Israeli military source said this week that although the army did not expect a new outbreak of mass unrest by Palestinians in the occupied territories, "more and more people are desperate enough to take part in acts of violence and terror."

What is surprising is that the conflict is escalating in Jerusalem, a city of 350,000 Jews and 150,000 Arabs, where only six of the nearly 1,000 deaths of the 30-month-old *intifada* had occurred before last week. The mayoral spokeswoman said authorities had been told that Arabs tried to step up activity in the city, which Israel claims as its "eternal capital," in order to attract greater attention.

"But I think the biggest problem is the absence of a peace process," she said. "Without it, it's very hard to persuade people on both sides to remain patient."

"The police are making the same mistakes in East Jerusalem that the army has been making in the West Bank for the last three years," said an East Jerusalem journalist. The police, he said, may feel encouraged to act more harshly against Arab protesters in the city because of the new government, which includes hard-line politicians favoring extreme measures against Palestinians.

"For years we lived together fine," said a merchant in Neve Yaacov. "Then the Arabs came and threw stones, and we did nothing. They did it again, and a third time and a fourth and a tenth. Now we're fighting back. And it's just going to get worse and worse."

In Reversal, Soviets Back Pact to Limit Their Tanks

International Herald Tribune

The Soviet Union, offering renewed hope for a treaty this year to eliminate Soviet military superiority in Central Europe, accepted a tank accord to which it had objected last week in the Vienna conventional-arms talks.

The deal represented a major step toward a treaty, a Western negotiator said, because tanks and armored fighting vehicles "are the guts" of any land war in Europe and therefore of the proposed East-West disarmament pact.

A U.S. official agreed that the development was "very positive." But the official said it remained unclear whether the settling of the tank dispute signaled new Soviet readiness to conclude a treaty rapidly and open the way to agreement on the future military status of Germany.

The final version of the treaty language covering tanks and armored fighting vehicles was changed "by only a few words, with no material significance," from a text that Soviet representatives rejected last week without explanation, negotiators said.

Bush administration officials were irate last week at the unexpected setback to a deal that had been arranged at the U.S.-Soviet summit meeting in May. They feared that the sudden Soviet hesitation, after painstaking negotiations, threatened the chances for a Vienna treaty in time to seal new political and military arrangements for Europe this year.

The last-minute delay apparently was caused in Moscow, by "a disjoint between the military and the Foreign Ministry," a Western official said, adding: "We do not know whether the fact that they have come through now will end the series of holdups."

Since March, the Vienna talks had been bogged down, apparently because the Soviet leadership wanted to link a conventional-forces treaty to the terms of German reunification, or because the military establishment in Moscow was waging a rearguard action against the pace and extent of Soviet force withdrawal from Eastern Europe.

Even without agreement on other sticking points, such as limits on the number of aircraft, a Western official said the breakthrough meant that "you could have a meaningful treaty that destroyed 40,000 Soviet tanks with what we have got."

The official also implied Western confidence that a verification system would present few difficulties now that both sides have agreed on how to limit the number of tanks.

The most intractable dispute involves combat aircraft, but differences there are reported to have narrowed significantly; only "land-based naval aircraft" still present a problem.

These are bombers and other combat planes that operate from airfields but are manned by navy pilots whose main mission is to attack enemy warships.

Western governments refuse to exclude this category from the limits on aircraft, because the Soviet Union, which flies the same kinds of aircraft in its air force and navy, could violate the treaty by calling all its planes "naval."

But the Soviet Union has said it will agree to include these planes only if the Vienna talks are widened to cover naval arms control — a step that Washington adamantly resists.

"We want aircraft in the treaty, but it may take political will to push that one through in time, " a U.S. official said.

—JOSEPH FITCHETT

WORLD BRIEFS

Peace Corps Halts Philippine Project

WASHINGTON (AP) — The Peace Corps suspended its program in the Philippines on Wednesday and recalled its volunteers after reports that communist rebels there were planning to kill the workers.

The Peace Corps director, Paul D. Coverdell, said the decision was made after consulting with the White House and the State Department. He added, "All of the volunteers are safe, and this is strictly a precautionary measure."

Mr. Coverdell said the volunteers, most of whom work in remote rural areas, would start leaving Thursday after a special send-off from President Corazon C. Aquino.

Sri Lanka Detains Hundreds of Tamils

COLOMBO, Sri Lanka (AP) — Government security forces detained hundreds of Tamil youths in Colombo on Wednesday in sweeps for guerrillas believed to have infiltrated the capital.

The government, meanwhile, said that 400,000 people had fled the two-week-old upsurge in Sri Lanka's civil war and that many were without food, water or shelter. "We are starving," said one resident in the town of Batticaloa. "There is no electricity and no transport. Only guns, guns and guns."

Military officials also called on 2,500 Liberation Tigers of Tamil Eelam rebels believed trapped in an eastern jungle to surrender or risk an air attack. On Monday and Tuesday, government air force planes bombed and strafed rebel positions surrounding a strategic 200-year-old fort in the northern city of Jaffna, the rebel stronghold.

Cairo to Remain a Mideast Mediator

WASHINGTON (AFP) — Egypt plans to continue its role as a mediator in the Middle East peace process despite the suspension of U.S. talks with the Palestine Liberation Organization, according to the Egyptian foreign minister, Esmat Abdel Meguid.

Mr. Abdel Meguid, who arrived in Washington on Sunday, met with President George Bush and Secretary of State James A. Baker 3d on Tuesday.

The State Department said that "for the moment" the United States would have no contact with the PLO because of the organization's failure to condemn a foiled Palestinian raid last month on Israeli beaches. In announcing the suspension on June, Mr. Bush also cited the PLO's failure to take "disciplinary measures" against a Palestinian leader who took responsibility for the raid.

Rights Groups May Visit Kashmir

BOMBAY (NYT) — The Indian government is prepared to allow international human-rights groups to visit the disputed state of Jammu and Kashmir to monitor the reported abuses of human rights there by security forces, a senior official said Wednesday.

The official, however, said the government's willingness was dependent on "a reduction of U.S. pressure" on the issue. He was referring to a move by American legislators who have reportedly urged the U.S. administration to suspend U.S. aid to India if it does not allow an Amnesty International team to visit the state.

This is the first time since the Kashmir crisis heightened last year that India has said it is prepared to allow Amnesty representatives to travel to Kashmir. India continues to bar foreign human-rights organizations from visiting the neighboring state of Punjab, stirred by more than eight years of violence by Sikhs seeking a separate state. There are frequent and wide-ranging reports of police assaults on civilians and abuse of human rights in that state.

The Associated Press

Two parliamentary presidents, Rita Süssmuth of West Germany, left, and Sabine Bergmann-Pohl of East Germany, touring Jerusalem.

Bonn Wants Berlin to Be New Capital

Reuters

BONN — West Germany wants Berlin to be the capital of a united Germany, government officials said Wednesday.

A final decision can be made only by a post-unification parliament, the officials said, but the rightist West German coalition government favors Bonn as interim capital for two or three years, with government functions gradually moving to Berlin.

East Germany's prime minister, Lothar de Maizière, like Chancellor Helmut Kohl of West Germany a Christian Democrat, is pressing for Berlin to resume its role as the capital of Germany.

"It should be capital immediately and become seat of government gradually," Mr. de Maizière was quoted as saying Wednesday in the West German weekly Die Zeit.

But Bonn, the "temporary" capital of West Germany since 1949, has mounted a counterclaim. Its supporters say Berlin is tainted by its having headquartered Prussian centralism and Hitler's Nazism, while Bonn symbolizes a modern, decentralized, nonthreatening Germany.

It would also be cheaper to keep the government in Bonn, with its physical plant and well-developed infrastructure, than to build or refurbish offices in Berlin and to transferring around 100,000 civil servants, they say.

The two Germanys will merge economies on Sunday as a prelude to full political reunification.

Mr. Kohl wants to see unity achieved by the end of the year, with all-German elections taking place December 9, when East Germany would formally declare its accession to the West German Federal Republic.

■ Israeli Support Claimed

The presidents of the West German and East German parliaments said Wednesday that they had assurances that Israel would support German reunification, The Associated Press reported from Jerusalem.

The understanding appeared to include a promise that a united Germany will support Israel in its conflict with the Palestinians and use its influence to tone down EC criticism of Israel.

Prime Minister Yitzhak Shamir "gave us an unconditional yes to reunification," Rita Süssmuth of West Germany said at the end of a three-day visit with her East German counterpart, Sabine Bergmann-Pohl.

Iran Now Puts Quake Death Toll at 40,000

New York Times Service

TEHRAN — The president of Iran's Red Crescent Society lowered the society's estimates on Wednesday of the death toll in last week's earthquake, saying that it would wind up closer to 40,000 than the 50,000 that had previously been feared.

Iran had reported the possibility of the higher figure to the United Nations earlier this week, but the Red Crescent official, Vahid Dastjerdi, said records now pointed to fewer casualties.

Even so, the earthquake that devastated two northwestern provinces, Gilan and Zanjan, was the worst ever in Iran.

The number of injured was also reduced, to 60,000, from earlier estimates of 100,000.

As the rescue effort started to wind down, Mr. Dastjerdi all but invited foreign medical specialists and rescue teams to leave, saying that "their presence is not very useful."

Some in Iran See Human Failings, Not 'Divine Test,' in Quake Ordeal

By Clyde Haberman
New York Times Service

RASHT, Iran — In this center of farming and light industry along the Caspian Sea, not everyone is persuaded that the country's ordeal is the "divine test" that many Iranians believe has been visited on them by the earthquake that struck last week.

Some complain that there were unnecessary earthquake deaths here, and they blame human greed, shoddy construction and government indifference.

That certainly was a widely held view near the rubble of a seven-story apartment building in Rasht that had housed 41 families until it shivered and collapsed in the quake.

About 60 tenants were killed, including the sister and nephews of a civil engineer who stood Tuesday among knots of bystanders watching rescue workers search through the debris for 24 others believed to be buried beneath it.

Simple avarice killed his relatives, the engineer said, offering only his first name, Djalal.

"They didn't use enough steel, to save money, so that they could make bigger profits when they sold the apartments," he said.

"It is like that a lot since the revolution," he continued, referring to the Islamic revolution that toppled the shah of Iran in 1979. "They do not use enough material," he said, and he blamed government officials for often giving little attention to the problem.

His opinion was shared by others in the crowd, who blamed poor construction and government supervision for the collapse of other buildings in Rasht, 325 kilometers (200 miles) northwest of Tehran and the largest city in this seismic zone.

Even a local government engineer, Djalil Dianatpey, acknowledged that there are serious shortcomings in the way that buildings here have been constructed in the last few years.

As a comparison, he pointed to a factory next to the crumpled apartment building. The factory, built 40 years ago by a West German company, showed not a scratch from the earthquake.

Perplexed despair has descended on the farming hamlet of Kelishom, 120 kilometers southeast of Rasht, where half of the 5,000 residents died last week. Kelishom essentially no longer exists, its houses having been flattened, forcing occupants into tents set up in a field by the Red Crescent Society.

"They have given us food and tents," said Mohammed Safri, a wheat farmer whose father and mother-in-law were killed.

"But we are farmers," he said. "All we want are land and a house. Without them we cannot be satisfied. Now I have lost the house. How can I make a new one?"

A young engineering student from Tehran who went to Rasht to survey the damage stood in dismay by a large water tank that had fallen to pieces in the earthquake, leaving parts of the city without water.

"Most of the houses were destroyed because they were substandard," he said. "But this tank should have withstood the earthquake."

Then why did it collapse? he was asked.

"This country," he said, "is far beyond such questions."

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Witness Recounts Barry's Drug Use

WASHINGTON (AP) — Rasheeda Moore, a former model, testified Wednesday that she and Mayor Marion S. Barry Jr. used drugs "over 100 times" during a three-year relationship.

Ms. Moore, who cooperated in the FBI sting operation that led to Mr. Barry's arrest on Jan. 18, testified that she and the mayor used cocaine from 1986 to 1988. Ms. Moore persuaded Mr. Barry to come to a hotel, where the FBI videotaped the mayor smoking crack cocaine.

She testified at the mayor's cocaine and perjury trial that the drug use continued after her "intimate relationship" with Mr. Barry ended. When asked how frequently she and Mr. Barry used drugs, Ms. Moore said, "Over 100 times." She said the relationship ended because "there was so much drug use."

Focusing Flaw Disables the Hubble

WASHINGTON (AP) — A serious focusing flaw has been found in mirrors aboard the Hubble Space Telescope, the National Aeronautics and Space Administration announced Wednesday. The instrument cannot work as planned — taking spectacular photographs of the heavens from above Earth's obscuring atmosphere — without a repair mission now set for 1993.

Engineers said that there was distortion in one of the two mirrors used to focus light and that the problem could not be corrected through instructions sent from the ground. A Hubble scientist, Edward Weiler, said the problem degraded any pictures that could be taken by the orbiting telescope.

Jean Olivier, the Hubble project's deputy director, said the problem was discovered when engineers tried to fine-tune the telescope view and found that no "crisp, clean image" could be achieved. He attributed the distortion to a flaw that developed during the construction of the mirrors inside the $1.5 billion telescope.

TRAVEL UPDATE

A survey of leading international hotel managers by the West German travel magazine Holiday found that three of the five airlines they preferred were Asian. Heading the list was Singapore Airlines. Cathay Pacific and Thai Airways were third and fifth, based on security, punctuality, cleanliness, food, service and value for money. Swissair was voted second and Lufthansa fourth. The worst airlines were Aeroflot, Air India and lastly, Pan American World Airways. *(Reuters)*

Royal Air Maroc is to resume weekly flights from Rabat to Damascus on Wednesday, the carrier announced. The route was dropped after Syria broke diplomatic relations with Morocco in July 1986 to protest a meeting between King Hassan II and the then Israeli prime minister, Shimon Peres. *(AFP)*

American travelers in Kenya should exercise caution to avoid becoming victims of crime or violence, the State Department says. A travel advisory said that despite new security measures in game parks, Americans should travel only with reputable safari companies and in convoys. *(IHT)*

Greek workers have scheduled a 24-hour walkout on July 4 to protest the conservative government's austerity measures, a spokesman for the largest labor union said Wednesday. *(AP)*

The Quake Aid: A Test for Rafsanjani

By Steve Coll
Washington Post Service

TEHRAN — Iran's spiritual leader, Ayatollah Ali Khameini, expressed gratitude on Wednesday for the millions of dollars in foreign aid that has poured into Iran since the devastating earthquake last week.

Addressing an audience at a mosque in Tehran, the ayatollah praised "the Muslim countries and the other countries of the world" who felt "a responsibility."

He added: "I thank them. All."

The ayatollah's remarks, reported by Tehran radio on Wednesday afternoon, marked the first public endorsement by a senior leader of the large-scale foreign assistance that Iran has continued to accept, even from adversaries like the United States and Saudi Arabia.

The comments appeared calculated to bolster the position of President Hashemi Rafsanjani, whose openness to Western aid has provoked criticism from some Islamic radicals in his government.

The official response to the disaster has emerged as a test of Mr. Rafsanjani's political strength, particularly his attempt to salvage Iran's war-shattered economy with the help of billions of dollars from the West.

Mr. Rafsanjani's decision to accept large-scale humanitarian aid from such Western and Arab adversaries as the United States, Britain and Iraq is seen by diplomats and Iranian analysts in Tehran as partly an attempt to build public support in Iran for the five-year economic recovery plan for which Mr. Rafsanjani won approval earlier this year. The plan passed parliament after months of debate between the Rafsanjani faction and Islamic radicals in his government who oppose any contact with the West.

"Rafsanjani has pretty much staked his future on his five-year plan, and that means opening to the West," a Western diplomat said.

The linchpin of the plan, which is supposed to start later this summer, is its dependence on $27 billion in foreign credits for development of Iran's infrastructure and revitalization of factories idled by a decade of war and international isolation.

Islamic radicals led by a former interior minister, Ali Akbar Mohtashemi, have sharply criticized the plan for fostering economic interdependence with Western and Arab countries like the United States and Saudi Arabia.

Although Mr. Rafsanjani has suggested in public pronouncements that he, too, regards the West as evil and dangerous, he has also argued that Iran's Islamic revolution would not achieve its full potential unless it draws on Western capital for economic recovery.

By accepting Western humanitarian aid in the aftermath of the devastating earthquake last week, which Iran's Red Crescent Society says killed 40,000 people, Mr. Rafsanjani may hope "to show ordinary people that Westerners are not all monsters," as an Iranian analyst put it. That may help Mr. Rafsanjani to isolate his radical opponents on the question of Iran's future economic strategy.

The debate over acceptance of hard-line paper earlier this week that Iranians should cut off the hands of the United States, "even as they reach out to help" with earthquake relief.

The larger debate about economic strategy highlighted by the disagreements over Western humanitarian assistance is much more than philosophical: Iran's economy is reeling, and the stability of Mr. Rafsanjani's year-old administration may depend on its ability to turn things around quickly.

Iran's government puts out few reliable statistics, but Western analysts estimate that urban unemployment is running as high as 25 percent. Factories shut down for lack of imported materials and spare parts have reduced Iranian industry to about one-quarter of its capacity.

As they have for more than a decade, oil earnings bolster Iran's economy against collapse, but the recent sharp drop in world oil prices probably will cost Iran $3 billion in desperately needed hard-currency earnings this year, according to Western estimates.

It is still in question whether Mr. Rafsanjani's efforts to improve relations with his country's adversaries will extend much beyond the economic arena.

Some Iranians and Middle Eastern diplomats said they doubted that problems such as the U.S. hostages held in Lebanon by pro-Iranian Shiite Moslems or the Salman Rushdie affair, which led to a break in relations between Iran and Britain, could be solved by improved economic ties between Iran and the West.

'Rafsanjani has pretty much staked his future on his five-year plan, and that means opening to the West.'
A Western diplomat.

Storm Disrupts Paris Métro

Reuters

PARIS — A fierce rainstorm, the second in 24 hours, knocked out five of Paris's 13 Métro lines Wednesday.

WEATHER

EUROPE	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	25	77	13	55	c
Athens	30	86	21	70	s
Barcelona	29	84	19	66	s
Belgrade	27	81	16	61	s
Berlin	28	79	17	63	s
Brussels	24	75	14	57	c
Budapest	25	77	16	61	s
Copenhagen	19	66	17	63	sh
Dublin	17	63	12	54	r
Edinburgh	19	66	12	54	r
Faro	24	75	18	64	s
Florence	34	93	20	68	s
Frankfurt	28	82	—	—	s
Geneva	25	77	17	63	s
Helsinki	21	70	11	52	c
Las Palmas	25	77	19	66	s
Lisbon	29	84	18	64	s
London	22	72	16	61	c
Luxembourg	23	73	15	59	s
Madrid	34	93	18	64	s
Milan	31	88	20	68	s
Moscow	23	73	12	54	s
Munich	27	81	12	54	s
Nice	29	84	21	70	s
Oslo	20	68	11	52	c
Paris	27	81	18	64	s
Prague	27	81	17	63	s
Reykjavik	10	50	4	39	r
Rome	30	86	18	64	s
Stockholm	22	72	13	55	s
Strasbourg	27	81	14	57	s
Venice	28	82	20	68	s
Vienna	26	79	15	59	s
Warsaw	26	77	10	50	s
Zurich	27	81	17	63	s
MIDDLE EAST					
Ankara	21	70	4	39	sh
Cairo	34	93	—	—	s
Istanbul	—	—	—	—	na
Jerusalem	—	—	—	—	na
Tel Aviv	30	86	18	64	s
OCEANIA					
Auckland	—	—	—	—	na
Sydney	14	57	8	46	sh

ASIA	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	33	91	26	79	t
Beijing	—	—	—	—	—
Hong Kong	32	90	28	82	s
Manila	33	91	26	79	t
New Delhi	39	102	28	82	s
Seoul	33	91	22	72	s
Shanghai	33	91	23	73	s
Singapore	32	90	25	77	t
Taipei	33	91	24	75	s
Tokyo	28	82	23	73	t
AFRICA					
Algiers	29	84	22	72	s
Cape Town	16	61	12	54	sh
Casablanca	24	75	20	68	s
Harare	25	77	9	48	s
Lagos	29	84	25	77	s
Nairobi	25	77	7	45	s
Tunis	34	93	18	64	s
LATIN AMERICA					
Buenos Aires	18	64	3	37	r
Lima	19	66	15	59	c
Mexico City	22	72	13	55	s
Rio de Janeiro	23	73	18	64	s
NORTH AMERICA					
Anchorage	21	70	10	50	pc
Atlanta	31	88	20	68	pc
Boston	31	88	19	66	pc
Chicago	31	88	18	64	pc
Denver	35	95	18	64	s
Detroit	29	84	15	59	s
Honolulu	30	86	22	72	s
Houston	35	95	25	77	s
Las Angeles	27	81	19	66	pc
Miami	32	90	26	79	s
Minneapolis	32	90	20	68	s
Montreal	34	93	18	61	s
Nassau	31	88	26	79	s
New York	31	88	22	72	pc
Phoenix	41	106	30	86	s
San Francisco	21	70	13	55	pc
Seattle	21	70	11	52	pc
Toronto	27	81	15	59	s
Washington	33	91	21	70	t

c=cloudy; fa=fair; f=fair; h=hail; o=overcast; pc=partly cloudy; r=rain; sh=showers; sn=snow; st=stormy.

THURSDAY'S FORECAST — CHANNEL: Slight. FRANKFURT: Thunderstorms. Temp. 27—13 (81—55). LONDON: Cloudy. Temps. 21—12 (70—54). MADRID: Thunderstorms. Temps. 32—20 (90—68). NEW YORK: Sunny. Temp. 30—20 (86—68). PARIS: Thunderstorms. 22—17 (72—63). ROME: Sunny. Temps. 30—18 (86—64). TEL AVIV: Cloudy. Temps. ZURICH: Thunderstorms. Temps. 25—12 (77—54). BANGKOK: Cloudy. Temps. 34—26 (93—79). HONG KONG: Sunny. Temps. 33—23 (91—73). MANILA: Rain. Temps. 32—25 (90—77). SEOUL: Rain. Temps. 24—18 (79—64). SINGAPORE: Sunny. Temps. 31—23 (88—77). TOKYO: Cloudy. Temps. 23—20 (73—68).

Tom Story/The Associated Press

6 DIE FIGHTING U.S. FOREST FIRE — *Two fire fighters consoling each other after escaping from a fire near Payson, Arizona, that burned at least 5,000 acres. Five inmates and a guard from a state prison died fighting the blaze after it jumped a firebreak during heavy winds and extremely hot weather. In the state capital, Phoenix, the temperature hit a record 122 degrees Fahrenheit.*

Homicide Rate Soaring Among Young U.S. Men

By Elisabeth Rosenthal
New York Times Service

NEW YORK — The homicide rate among young men in the United States is 4 to 73 times higher than in other industrialized nations, federal researchers have reported.

They said firearms were used in three-fourths of the killings in the United States and in one-fourth of those overseas.

Researchers at the National Center for Health Statistics said 4,223 American men from 15 to 24 were killed in 1987, a rate of 21.9 per 100,000.

They said the rate for black men in that age group was 85.6 per 100,000, an increase of 40 percent from a low in 1984.

By contrast, the rates in 21 other countries for men in the same age group ranged from a high of 5 per 100,000, in Scotland, to a low of 0.3 per 100,000, in Austria.

"I knew intuitively that our rates were high," said Lois A. Fingerhut, a co-author of the study, published Wednesday in The Journal of the American Medical Association. "But I never dreamed that they would be so staggering compared to other countries or that such a large percentage would be firearm-related."

Dr. James Mercy, chief of epidemiology at the Division of Injury Control of the Centers for Disease Control in Atlanta, said:

"It's a very important paper, because it puts in perspective how large and important homicide is as a health problem in the United States."

Experts point to several factors in explaining the nation's high homicide rate.

"Certainly the availability of firearms is a leading factor in this age group," said Ms. Fingerhut, who says her next step will be to correlate each state's gun-control legislation with its homicide rate.

Drugs are also implicated. Researchers say homicide statistics began to climb as crack, a potent form of cocaine, became popular.

"In Harlem, a very high percentage of murders — perhaps 90 percent — are related to drugs," said Dr. Harold P. Freeman, director of surgery at Harlem Hospital.

Dr. Mercy agreed, saying, "Crack-related violence may well be a partial explanation for the phenomenon."

"But," he added, "remember our country had high homicide rates long before crack was on the scene."

Sociologists say that the more diverse the culture, the higher the level of violence.

"I think being raised in a violent household has an extraordinary influence," said Dr. Dorothy Otnow Lewis, a psychiatrist at New York University. She is studying a population of former juvenile delinquents who have a violent death toll that is 76 times the national average for that age group.

"It seems to me that more and more kids are being raised in very chaotic families," she said.

The latest paper follows a study in The New England Journal of Medicine showing that young men in Harlem are less likely to survive to 40 than young men in Bangladesh.

"Homicide was one of the main factors that pushed mortality for young men up so high," said Dr. Freeman, an author of that study.

Ms. Fingerhut and her co-author, Dr. Joel C. Kleinman, focused on young men because one-fifth of homicides in the United States occur in that group and because homicide is the leading cause of death among young black men.

The researchers also studied homicide rates for whites and blacks in 25 larger states; they found considerable variation.

For young black men, Michigan was the most treacherous state, with a homicide rate of 232 per 100,000, largely concentrated in the Detroit area.

This was followed by California (155 per 100,000), the District of Columbia (139 per 100,000) and New York (137 per 100,000).

California was the most risky for young white men, with a rate of 22 per 100,000, which was still less than one-tenth the rate for blacks in Michigan.

The next highest rates for whites were in Texas (21 per 100,000), New York (18 per 100,000) and Arizona (17 per 100,000).

The safest states for whites were Minnesota (1.9 per 100,000) and Massachusetts (2.6 per 100,000).

For blacks, they were North Carolina (34.2 per 100,000) and Kentucky (34.8 per 100,000).

Panel Calls for Steps to Fight Child Abuse

United Press International

WASHINGTON — The number of child abuse and neglect cases has soared and now has become a "national emergency," a federal advisory board said Wednesday.

Despite the nation's avowed aim to protect children, "hundreds of thousands of kids are starved and abandoned, burned and severely beaten, raped and sodomized, berated and belittled," the U.S. Advisory Board on Child Abuse and Neglect said in its first report.

It called the ineffective response a "moral disaster."

The board recommended a 31-point plan to combat maltreatment and abandonment of children. Steps included research to develop a strategy to curb child abuse, a presidential declaration of the crisis and more resources.

"The board has concluded that child abuse and neglect in the United States now represents a national emergency," according to the 15-member panel, which was established by Congress in 1988.

"Not only is child abuse wrong, but the nation's lack of an effective response to it is wrong," the board said. "Neither can be tolerated."

The number of reported cases of child maltreatment climbed rapidly during the last 15 years. There were an estimated 60,000 cases in 1974, 1.1 million in 1980 and 2.4 million cases reported annually throughout the rest of the 1980s.

"There are reasons to believe that even that number is just a fraction of the actual incidence of child abuse and neglect," the report said. "Surveys consistently show that large proportions of cases of suspected child maltreatment remain unreported."

U.S. Softens Stand On Saving Rare Owl

By Timothy Egan
New York Times Service

SEATTLE — Four days after the federal government declared the northern spotted owl a threatened species, the Bush administration announced that it was delaying action on a broad plan to protect the birds and the ancient forests where they lived.

Officials of the Bureau of Land Management said Tuesday that they had a plan for protecting the owl, at a cost of 1,000 logging jobs, on the relatively small part of the forest they managed.

But a plan for a much larger part of the owls' habitat, on the Department of Agriculture's Forest Service land, will be drawn up by a new study group, which will report its findings to President George Bush by Sept. 1.

On Friday, when declaring the owl an endangered species, the administration said that it would announce on Tuesday its specific plan for protecting the bird.

In addition, the administration said Tuesday that it would seek changes in the Endangered Species Act, including provisions that would make it easier to allow some species to diminish if preserving them would cause severe economic disruption.

Agriculture Secretary Clayton Yeutter and Interior Secretary Manuel Lujan Jr. said they would set up the group to study how to balance the conflicts between logging and about 3,000 pairs of owls.

Federal officials have said that broad protection for the owl would cost up to 28,000 jobs in the timber industry in the next 10 years.

The new plans angered environmentalists who said the administration was retreating from an agreement on the owl's habitat.

And the new proposals disappointed timber industry leaders who said any further delay in devising a long-term plan for managing the forests would increase economic uncertainty in the Northwest's timber towns.

The environmentalists who have been fighting to curtail federal logging, which is responsible for the cutting of 70,000 acres of ancient forests a year, have said that saving the owl is the best legal weapon to save the forests.

Thus, federal protection of the owl would mean, under the current law, that up to 4 million acres of ancient forest could be off-limits to logging.

The Fish and Wildlife Service's formal listing of the owl as a threatened species, an action taking effect July 23, will make it a violation of federal law to do anything that contributes to the owl's decline.

Federal scientists say heavy logging is the main cause of the owl's extinction.

On Tuesday, Andy Kerr, the conservation director of the Oregon Natural Resources Council, which has sought protection of the owl for the last decade, said, "The Bush administration proposal would be the Tiananmen Square for American wildlife."

Administration officials said they supported the idea of saving wildlife, but they wanted more balance in the law.

Mr. Yeutter said, "We have set in motion a process to balance our responsibility in preserving the owl and the forests while protecting the economic lives of American men and women who live and work in the region."

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(w) INTERECU FUND 'B'	ECU	1049.46
INTER CASH		
(t) France Securite.	FF	12,502.53
(t) France Monetaire.	FF	10,740.46
(t) ECU	ECU	1,386.83
(t) US$	$	1,063.48
(t) DM	DM	2,123.61
(t) GBP	£	1,055.63
(t) FRF	FF	14,547.32
(t) France Capital.	FF	11,674.33
INTER OPTIMUM		
(w) BEF/LUF	FB	72,021.00
(w) Multidevises DM	DM	2,018.02
(w) US$	$	1,001.32
(w) FRF	FF	10,451.26
INTER STRATEGIE		
(w) France.	FF	10,520.55
(w) Europe du Nord.	£	1,042.59
(w) Europe du Centre.	DM	2,317.79
(w) Europe du Sud.	ECU	1,127.26
(w) Japan.	YEN	144,264.00
(w) Amerique du Nord	$	1,076.76
(w) Sud-Est Asiatique.	$	1,508.60
BNP JERSEY		
INTER CURRENCY		
(w) US$	$	11.5776
(w) DM	DM	32.3852
(w) GBP	£	12.0508
(w) International Managed.	$	11.4014
INTER EQUITY		
(w) French Offer.	$	18.57
(w) Pacific Offer.	$	24.66
(w) North American Offer.	$	72.59
(w) European Class.	$	11.71
(w) Australia Class	$	9.93
BANQUE BELGE ASSET MGMT FUND		
Share Distributor Guernsey 0481 726514		
(w) Intl Equity Fund (Sicav)	$	12.01
(w) Intl Bond Fund (Sicav)	$	11.13
BANQUE INDOSUEZ		
(w) Asian Growth Fund	$	37.39
(w) Asian Income Fund	$	8.76
(m) Dual Futures Fd. Class A Units	$	103.24
(m) Dual Futures Fd. Class B Units	$	103.32
(m) Dual Futures Fd. Class C Units	$	98.86
(m) Dual Fut. Fd. Class D Units	$	99.48
(w) Diverbond	SF	74.30
(w) The Dragon Fund Sicav	$	
(w) FIF Int. Switz.	SF	103.98
(w) FIF-Internat. Div.A	$	19.89
(w) FIF-Internat. Div.B	$	20.93
(w) FIF Internat.America	$	16.46
(w) FIF Internat.Pacific	$	58.06
(w) FIF Internat.Europe	$	33.96
(w) FIF Internat.Japan	Y	1,197.00
(w) FIF Internat.S'pore+Malay.	SG$	10.11
(w) FIF Int. Nat. Res. A	$	12.01
(w) FIF Int. Nat. Res. B	$	12.92
(w) France International	FF	98.41
(w) France Blue chips No 1	FF	133,976.76
(m) Galaxy Futures Fd Ltd	$	110.34
(w) Gestion Selective	FF	4,714.06
(w) Indosuez Mult. Div. A	$	131.22
(w) Indosuez Mult. Div.B	$	292.37
(w) Indosuez Multibonds US$	$	109.11
(w) Indosuez Multibonds YEN	Y	10,224.00
(w) Indosuez Mult. DM	DM	104.25
(w) IPNA-3	$	1120.00
(w) Malacca Fund	$	16.65
(w) Manila Fund	$	8.35
(w) The Siam Fund	$	38.92
(w) Pacific Gold Fund	$	11.41
BANQUE PRIVEE E. DE ROTHSCHILD		
(w) Daiwa Capital E. Fund	$	995.97
(w) Daiwa LCF Rothschild	$	1046.57
(w) Ecu D'Or	ECU	80.10
(w) Hispano Int'l Fund	ECU	18.75
(b) Pri-Tech	$	1171.78
(b) Source Sicav	$	11.74
BANQUE E. DE ROTHSCHILD LUX.SA		
(b) Cursitor BP Fixed Inc.Fund	DM	105.13
(b) Cursitor BP General Fund	DM	134.09
(d) Eagle Fund	LF	9506.00
(d) Europe Japan Fund	$	10.33
(b) Governm. Sec. Fund	$	68.84
(w) Leicom	$	2777.22
(b) Opportunities Fund	$	907.97
(b) Prifirst	$	531.37
(b) Priroo fund	DM	53.66
(w) Rente Plus	BF	4856.00
(t) Select. Horizon Dev.	FF	53856.05
(t) Select. Horizon FF	FF	60198.83
(b) Stor Conv.Fund FL	FL	10,465.00
(b) Stor Conv.Fund USD	$	106.94
BANQUE SCANDINAVE EN SUISSE-GENEVA		
(w) Interbond Chf.	SF	78.72
(w) Intelsec Chf.	SF	1713.65
(w) Universal Intelbond	$	
(w) Universal Intelsec	$	
(w) Universal Intelbond	FF	
BROADGATE INTERNATIONAL FUND		
(d) $ Money Market	$	13.57
(d) Non-$ Money Market	DM	32.32
(d) $ Bond	$	13.74
(d) Non-$ Bond	DM	30.34
(d) European Equities	£	10.62
(d) Global Equity	$	18.27
(d) Global Bond	$	14.01
(d) Global Bond & Equity	$	15.16
(d) Pacific Equities	$	9.96
(d) Prec. Mets/Min. Secs	$	6.02
B.W MANAGED ASSETS CY. SICAV		
(t) Global Bond Fund	ECU	10.26
(t) European Securities Fd.	ECU	14.42
(t) French Securities Fund	FF	138.08
(t) North American Secu.Fund	$	12.96
(t) Pacific Basin Secu. Fund	$	8.94
CAISSE CENTRALE DES BANQUES POP.		
(d) Fructilux Obl. Fses	FF	6,040.73
(d) Fructilux-Obl.Euro	ECU	1,118.48
(d) Fructilux-Act.Fses	FF	7,796.03
(d) Fructilux-Act.Euro	ECU	1,363.14
(d) Fructilux court terme	FF	6,174.82
CALLANDER		
(w) Callander Emer. Gr.	$	121.89
(w) Callander F-Asset	$	99.40
(w) Callander F-Austria	AS	1,575.66
(w) Callander F-Spanish.	Ptas	9,524
(w) Callander Swiss Gr.	SF	138.60
CAPITAL INTERNATIONAL		
(w) Capital Int'l Fund	$	94.51
(w) Capital Italia SA	$	43.08
CCF - GAMMA		
(w) CM Actibonds	$	24.44
(w) CM Global Growth	$	11.06
(w) Elysees Court Terme	FF	61,476.43
(w) Elysees Long Terme	FF	34,405.63
(w) Elysees Monetaire	FF	64,173.22
(w) EMF Sterlings (A & B)	£	542.65
(w) EMF Dutch Gul.(A&B)	FL	1024.77
(w) EMF D-Mark (A&B)	DM	998.90
(w) EMF Ecu (A & B)	ECU	1,049.60
(w) EMF US Dollar (A & B)	$	1,112.77
(w) EMF Yen (A & B)	YEN	100093.00
(d) Europe Prest. Fd A	ECU	11.01
(d) Europe Prest. Fd B	ECU	12.95
(w) Euro. Smlr Cos. Fd.A	ECU	15.27
(w) Euro. Smlr Comp.Fd.B	ECU	15.21
CDC INTERNATIONAL		
(w) CFI Court Terme	FF	126,237.85
(w) CFI Long Terme	FF	1106055.49
CIC GROUP		
(d) Oblicic Monetaire	FF	12279.77
(d) Oblicic Court Terme	FF	12352.31
CITICORP INVESTMENT BANK (Lux.)		
POB 1373 Luxembourg Tel. 477.95.71		
(d) Citicurrencies USD	$	1387.47
(d) Citicurrencies Managed	$	114.19
(d) Citinvest Ecu Income	ECU	1368.17
(d) Citinvest Manag. Growth	$	1245.20
(d) Citi.Mana.Growth Euro	ECU	1083.84
(d) Citinvest Selector	$	940.32
(d) Citinvest Guardian $	$	1110.78
(d) Citinvest Guard. Euro	ECU	1091.13
(d) Citiport N.A Equity	$	158.93
(d) Citiport Jap. Equity	Yen	10,078.00
(d) Citiport UK Equity	£	122.27
(d) Citiport S.Asian Eq.	$	142.68
(d) Citiport Cont.Euro. Eq.	ECU	110.22
(d) Citiport N.A.S Bond	$	116.88
(d) Citiport Euro Bond	ECU	105.59
(d) Citiport AS.Pac.Bd.	YEN	11,038.00
CITITRUST		
(w) US. $ Equities	$	271.40774
(w) US. $ Bonds	$	12.44853
(w) US. $ Money Market	$	13.33425
(w) Citiland	$	930.86463
(w) Citiperformance Pff S.A	$	10.38547
(w) Global Equities	$	9.38000
(w) Global Money Market	$	12.30000
(w) Global Bonds	$	11.22000
(w) C.Croissance Fr.Suisse	SF	2848.44
COMPASS INTL HOLDINGS Ltd.		
POB 455, Jersey 0534 27267		
(w) Bond: Dollar Medium Term	$	10.94
(w) Bond: Ecu Multicur.	ECU	10.21
(w) Equity: United Kingdom	£	10.17
CREDIT SUISSE (ISSUE PRICES)		
(d) CSF Bonds	SF	74.50
(d) Bond Valor Swf	SF	98.65
(d) Bond Valor US-DOLLAR	$	122.92
(d) Bond Valor D-mark	DM	101.09
(d) Bond Valor Yen	Y	9,959.00
(d) Bond Valor £ Sterling	£	91.57
(d) Convert Valor Swf	SF	148.30
(d) Convert Valor US-DOLLR	$	191.48
(d) CSF International	SF	133.00
(d) Actions Suisses	SF	635.00
(d) Europa-Valor	SF	225.75
(d) Energie-Valor	SF	159.50
(d) Canasec	SF	379.00
(d) Ussec	SF	743.00
(d) Pacific-Valor	SF	155.25
(d) CS Eu. Blue Chips A	DM	281.95
(d) CS Eu. Blue Chips B	DM	281.95
(d) CS Gold Valor	$	129.94
(d) CS Ecu Bond A	ECU	97.85
(d) CS Ecu Bond B	ECU	121.12
(d) CS Euro Finance Fd.'A'	DM	253.42
(d) CS Euro Finance Fd 'B'	DM	253.42
(d) CS Europa Bond 'A'	DM	243.15
(d) CS Europa Bond 'B'	DM	265.99
(d) CS Gulden Bond A	FL	94.80
(d) CS Gulden Bond B	FL	111.25
(d) CS Hispano Iberia Fd 'A'	PTS	26,419.00
(d) CS Hispano Iberia Fd 'B'	PTS	360.60
(d) CS Prime Bond 'A'	DM	88.36
(d) CS Prime Bond 'B'	DM	99.95
(d) CS Short-T. Bd DM A	DM	95.77
(d) CS Short-T. Bd DM B	DM	112.60
(d) CS Short-T. Bd $ A	$	100.23
(d) CS Short-T. Bd $ B	$	122.25
(d) CS Money Market Fund	$	1513.82
(d) CS Money Market Fund	DM	1302.40
(d) CS Money Market Fund	£	1472.61
(d) CS Money Market Fd Yen	Y	121175.00
(d) CS Tiger Fund	$	615.50
DIT INVESTMENT FFM		
+(d) Concentra	DM	53.13
+(d) Int'l Rentenfond	DM	71.79
EBC TRUST CO.(JERSEY) LTD.		
1-3 Sele St.St. Helier:0534-36331		
EBC AMRO TRADED CURRENCY FUND.		
@(d) Inc.: Bid. $ 13.73 Offer.	$	13.88
@(d) Cap.: Bid. $ 21.43 Offer	$	21.66
INTERNATIONAL INCOME FUND		
(d) Short Term 'A' (Accum)	$	0.8780
(d) Short Term 'A' (Distr)	$	0.5704
(d) Short Term 'B' (Accum)	$	1.2830
(d) Short Term 'B' (Distr)	$	0.9144
(w) Long Term	$	22.4162
ELDERS EUROPE - Guernsey - (0481) 26588		
(m) Elders Eur.Futures Fund	$	9874.11
ELDERS SECURITIES INC.		
W. Rotter. (212) 573-8440		
(d) EFF	$	328.80
(d) ESP	$	144.39
ELDERS SWITZ.(022) 35 17 28		
(w) Elders Int Bld SF 103.25 Offer	SF	114.50
(w) Elders Aus Bld A$ 86.75 Offer	A$	94.00
EQUIFLEX LIMITED		
(w) Europe A	FL	12.55
(w) North America A	FL	9.88
(w) UK Equities	£	10.14
(w) UK Small Co.	£	7.91
EURO PACIFIC ADVISERS Ltd.		
(w) Meteore	Y	123,175.00
(w) Pacific Horizon Invt. Fd	$	2317.57
FOREIGN & COLONIAL MGT. LTD.		
1, Laurence Pountry Hill, EC4, 01-623-4680		
(w) Amer.Smaller Cos.Eq.Pffl.	$	11.45
(d) Ecu Bond Pffl	ECU	10.28
(w) Oriental Equity Pffl.	$	10.68
(w) European Equity Pffl.	$	15.95
(w) Nordic Equity Pffl.	$	16.40
(w) Amer. Mgl. Equity Pffl.	$	9.80
(d) Western Pac. Equity Pffl.	$	11.82
(d) Mediterranean Equity Pffl.	$	11.97
(d) British Equity Portfolio	$	18.36
(d) U.S.$ St. Term Asset Pffl.	$	10.03
(d) Sterling St. Term Asset Pffl.	£	18.21
(d) North American Bond Pffl.	$	10.08
(d) Multi-Currency Bond Pffl.	$	10.18
(d) Sterling Bond Portfolio	£	9.84
FIDELITY INT'L INV. MGMT (LUX.) S.A.		
(d) New Europe Fund	$	12.20
(d) Fidelity Conv. Sec. Portf.	$	10.19
FIDELITY POB 670, Hamilton Bermuda		
(m) Fid.Amer.Vol.II Com.	$	98.23
(m) Fid.Amer. Vol.III Com.	$	64.34
(m) Fid.Amr.Vol.III Cum.Pref	$	102.05
(d) Fidelity Amer. Assets	$	136.95
(d) Fidelity Australia Fund	$	15.68
(d) Fidelity Dir. Svgs.Tr.	$	176.18
(d) Fidelity Pacific Fund	$	362.95
FIDELITY INT'L SERVICE (LUX.)		
(d) Balanced Portfolio-hedged	$	9.59
(d) Balanced Portfolio-unhedg.	$	10.92
(d) Fidelity Discovery Fund	$	17.25
(d) Fidelity Far East Fund.	$	73.28
(d) Fidelity Frontier Fund	$	22.35
(d) Fidelity Global Ind. Fd	$	14.27
(d) Fidelity Global Selct Fd	$	14.71
(d) Fidelity Int'l. Fund	$	15.56
(d) Fidelity Orient Fund	$	108.94
(d) Fidelity Spcl. Growth Fd.	$	39.04
(d) Fidelity World Fund	$	78.35
FIDELITY INTL (CI) LTD.		
FIDELITY PERFORM PORTFOLIOS LTD.		
(d) American Portfolio	$	1.08*
(d) European Portfolio	£	2.06
(d) Japan Portfolio	$	1.30*
(d) South East Asian Portfolio	$	1.25*
(d) U.K. Portfolio	$	1.15*
(d) Intl. Bond Portfolio	$	0.91*
(d) Sterling Liquidity Pffl.	£	10.11*
(d) Dollar Liquidity Portfolio	$	10.05*
FINAFUTURES (BVI) Ltd		
(w) Portofolio (est.)	$	8.97
FOKUS BANK A.S. 472 428 555		
(w) Scanfonds Int'l growth fd	$	1.72
GAIA CURRENCY HEDGE FUNDS		
(w) Gaia HedgeI $ 113.47 Red	$	112.40
(w) Gaia HedgeII $ 219.90 Red	$	214.45
GARTMORE FUND MANAGERS INT.		
45,La Motte Street, JERSEY 0534 27301		
CAPITAL STRATEGY FD. LTD.		
(d) American	$	1.745
(d) Canadian fund	Can$	0.8701
(d) British	£	2.256
(d) European Fund	DM	6.606
(d) Eastern European Fd	DM	5.406
(d) Asia Pacific Fd	$	2.260
(d) Japan Fund	Y	718.40
(d) Australasian Fund	£	0.2346
(d) Global Resources Fund	£	0.8015
(d) Emerging Markets Fund	£	1.445
(d) International growth	£	2.980
(d) Sterling Bond	£	1.0909
(d) E.C.U. Bond Fund	ECU	0.9360
(d) International Bond	$	1.154
(d) US$ Deposit	$	1.024
(d) Sterling Deposit	£	1.012
(d) French Franc Deposit Fd	FF	10.31
(d) Sw. Fr. Deposit	SF	5.133
(d) DM Deposit	DM	5.110
(d) Yen Deposit	Y	510.0
(d) Austr.Dollar Dep. Fd	AS	1.047
(d) Global Conv. Bond Fd	$	17.19
GEFINOR FUNDS		
London:071-4994171, Geneva:41-22355530		
(w) East Investment Fund	$	953.27
(w) Scottish World Fund	£	212.7264
(w) State St. American	$	325.88
GENERALE BANK		
(see also Interselex Group)		
(d) Rentinvest	$	27.57
(d) Capital Rentinvest	$	129.82
(d) Rentinbel Distr.	LF	9,572.00
(d) Rentinbel Cap.	LF	10,962.00
GAM ANLAGEFONDS AG.		
POB 164, 8034 Zurich Tel.41-1-2516640		
(w) GAM (CH) America	SF	1269.00
(w) GAM (CH) Europe	SF	100.00
(w) GAM (CH) Mondial	SF	1311.00
(w) GAM (CH) Pacific	SF	1641.00
GENESEE FUND LTD. 18/06/90		
(w) (B)Genesee Short	$	100.17
(w) (C)Genesee Opportunity	$	102.77
GLOBAL ASSET MANAGEMENT CORP.		
11 Athol St.Douglas,I. of Man.44-624-26037		
(w) GAM Arbitrage Inc	$	223.75
(w) GAMerica Inc	$	259.30
(w) GAM Australia Inc.	$	121.35
(w) GAM Ascan Inc	$	185.01
(w) GAM Bond Fund Inc U.S Ord.	$	108.49
(w) GAM Bond Fund Inc U.S Spe.	$	132.97
(w) GAM Bond Fund Inc.	SF	88.80
(w) GAM Bond Fund Inc.	£	96.06
(w) GAM Bond Fund Inc.	DM	85.76
(w) GAM Bond Fund Inc.	Y	10,333.00
(w) GAM Boston Inc	$	223.66
(w) GAM Ermitage	$	31.88
(w) GAM Europe Fund	$	105.25
(w) GAM European Inc.	$	121.02
(w) GAM Franc-Val Inc.	SF	220.72
(w) GAM France Inc	FF	1497.54
(w) GAM Global Fund	$	137.02
(w) GAM High Yield Inc.	$	93.17
(w) GAM Hong Kong Inc.	$	228.84
(w) GAM International Inc.	$	173.74
(w) GAM Japan Inc.	$	234.23
(w) GAM Money Mkts. Fund	$	103.91
(w) GAM Money Mkts. Fund	£	107.24
(w) GAM Money Mkts. Fund	SF	104.25
(w) GAM Money Mkts. Fund	DM	103.52
(w) GAM Money Mkts. Fund	Y	10,271.00
(w) GAM Mlti-Mgr Fd Inc Gen Eq	£	103.61
(w) GAM Mlti-Mgr Fd Inc Alloc.	£	102.23
(w) GAM Mlti-Mgr Fd - Trading	£	99.40
(w) GAM North America Fund	$	99.51
(w) GAM Pacific Basin Fund	$	132.89
(w) GAM Pacific Inc.	$	154.18
(w) GAM Restr. Fd. Inc.	$	154.21
(w) GAM Singapore/Malay Inc	$	278.81
(w) GAM Swiss Fr Spec Bd Fd	SF	93.07
(w) GAM Value Inc.	$	99.36
(w) GAM Worldwide Inc.	$	458.42
(w) GAM Tyche S.A. Class A	$	178.97
(w) GAM Universal ($s) Inc.	SF	93.67
(w) GAM U.S. Inc.	$	171.39
(w) GAM Whitethorn Fund Inc.	$	146.79
(w) GAM ut Inc.	$	122.23
(w) GSAM Composite Inc.	$	224.38
G.T. MANAGEMENT PLC		
(d) G.T. ASEAN Fund	$	59.71
(d) G.T. Asia Fund	$	15.69
(d) G.T. Australia Fund	$	26.52
(d) G.T. Berry Japan Fund	$	37.94
(d) G.T.Biotechn./Health Fund	$	11.63
(d) G.T. Bond Fund	$	15.65
(d) G.T. Britain Fund	£	4.74
(d) G.T. Deutschland Fund	$	14.98
(d) G.T. Dollar Fund	$	21.17
(d) G.T. Europe Fund	$	37.16*
(w) G.T. Emerging Mkts Fund	$	10.00
(w) G.T. Euro. Small Cos. Fund	$	39.14
(w) G.T.Global Small Cos.Fund	$	17.44
(d) G.T.Global Techno. Fd.	$	18.64
(d) G.T. Hong Kong Fund	$	31.24
(d) G.T. Honshu Pathfinder	$	13.92
(d) G.T. Investment Fund	$	13.22
(d) G.T. Japan OTC Stocks Fund	$	13.90
(w) G.T. Japan Sml Co.Fd	$	18.18
(d) G.T. Korea Fund	$	6.70
(d) G.T. Nat Res. Fd Gold Class	$	5.49
(w) G.T. Newly Ind. Countr. Fd	$	22.51
(d) G.T. Select Dollar Bd Pff	$	
(d) G.T. Select Int Bd Pff.	$	
(d) G.T. Select Gilt Pff.	£	
(r) G.T. Technology Fund	$	43.01
(d) G.T. U.K. Small Companies	£	8.41
(d) G.T. U.S. Small Companies	$	13.97
HENDERSON HORIZON FUND		
(d) HHF Japan Portfolio	$	12.15
(d) HHF Japan Sm. Cos. Pffl.	$	21.42
(d) HHF Pacific Portfolio	$	11.99
(d) HHF North Amer.Portfolio	$	5.11
(d) HHF European Portfolio	$	9.21
(d) HHF U.K. Portfolio	£	6.06
(d) HHF Global Portfolio	$	10.03
(d) HHF Fixed Interest Pffl.	£	8.84
(d) HHF Dollar Liq. Pffl.	$	0.8251
(d) HHF Sterling Liq. Pffl.	£	1.1029
(d) HHF Invt. Cos. Pffl.	£	10.97
HENDERSON PTFL. MGT. SERVICE		
(d) HPMS Dol. Bal. Gr. Pffl.	$	2.082
(d) HPMS Sterl. Bal. Gr. Pffl	£	1.306
(d) HPMS Dol. Sel Markets Pffl	$	2.137
(d) HPMS Dol.Income & Gr. Pffl	$	1.793
(d) HPMS Sterl. High Inc. Pffl.	£	0.600
HILL SAMUEL GLOBAL PORTFOLIO		
1A rue Pierre d'Aspelt Luxembourg 1142		
(d) H. S. Gibl Pffl UK Equity	£	9.70
(d) H. S. Gibl Pffl UK Sm.Co.Eq.	£	9.81
(d) H. S. Gibl Pffl N.Amer. Eq.	$	9.69
(d) H. S. Gibl Pffl US Sm.Co.Eq.	$	9.13
(d) H. S. Gibl Pffl Pac.Bas.Eq.	$	9.30
(d) H. S. Gibl Pffl Jap. Eq.	Y	940.00
(d) H. S. Gibl Pffl Euro Eq.	DM	10.27
(d) H. S. Gibl Pffl St.Fix.Int.	£	9.59
(d) H. S. Gibl Pffl Eu.Fix.Int.	DM	9.28
(d) H. S. Gibl Pffl Gibl. Eq.	$	9.59
(d) H. S. Gibl Pffl Gibl. Bond	$	9.46
(d) H. S. Gibl Pffl Gibl. Mgd.	$	9.35
HILL SAMUEL INVEST. MGMT. INTL. S.A.		
Jersey, P.O. Box 63, Tel 0534 76029		
Berne, P.O. Box 2622, Tel 4131 224051		
(d) Crossbow (Far East)	SF	14.85
(d) CSF (Balanced)	SF	36.10
(d) European Equity Fund	DM	20.94
(d) Intnl. Bond Fund	$	12.98
(d) Int. Currency U.S.Manag'd	$	28.03
(d) ITF Fd (Technology)	$	23.08
(d) O'Seas Fd (N. AMERICA)	$	50.43
(d) Int. Currency U.S.	$	27.98
IAM , 2 Bd. Royal LUXEMBOURG		
(w) Iam Flagship Fund	ECU	82.62
(w) Iam Bonds Fund-France	FF	596.24
(w) Iam Bonds Fund-Deutschl	DM	221.31
(w) Iam Bonds Fund-Japan	Y	10,494.00
(w) Iam Bonds Fund-Switz.	FS	214.64
(w) Iam Bonds Fund-U.S.A	$	106.22
(w) Iam Bonds Fund-Europa	ECU	117.76
(w) Iam Bonds Fund-Netherl.	FL	198.64
(w) Iam Europe global	ECU	103.57
(w) Iam Europe lusso	ECU	110.03
(w) Iam Europe 90/10	ECU	105.22
(w) Iam Europe 1992	ECU	111.28
(w) Iam Europe du Sud	ECU	111.34
INTERSELEX GROUP		
(d) Int.America Fund	$	17.83
(d) Int.Belga Fund	LF	3175.00
(d) Int.Europa Sicav	LF	4824.00
(d) Int.Pacific Fund	$	1059.40
(d) Int.World Fund	$	95.94
ITALFORTUNE INTL. FUNDS.		
(w) Class A (Aggr.Growth Ital.)	$	53.01
(w) Class B (Global Equity)	$	10.65
(w) Class C (Global Bond)	$	10.72
(w) Class D (Ecu Bond)	ECU	9.85
ISLAMIC MGMT FUND LTD	$	1112.64
CSFB Fund Mgmt Ltd (0481-713996)		
PB122 St. Peter Port,Guernsey		
JARDINE FLEMING, GPO Box 11448 Hg Kg		
(d) J.F Japan Trust	Y	20660.00
(d) J.F Pacific Sec. Trust	$	27.42
(d) J.F Pacific Income Trust	$	89.17
(d) J.F Hong Kong Trust	$	79.60
(d) J.F European	$	13.77
(d) J.F International	$	15.03
(d) J.F Gth Convertibles Trust	$	12.91
KIDDER,PEABODY & Co.Incorporated.		
(b) Chesapeake Fund Ltd.	$	1251.88
(b) Stonehenge Ltd.	$	1072.26
KLEINWORT BENSON SELECT FUND		
(d) British Fund	£	1.86
(d) Emerging Asia Fund	ECU	2.033
(d) European Fund	ECU	2.05
(d) Japanese Fund	ECU	1.88
(d) International Fund	ECU	1.87
(d) North American Fund	ECU	1.84
(d) Pacific Fund	ECU	1.92
LIPPO ASIA LIMITED		
(w) Java Fund	$	10.47
LLOYDS BANK PLC, POB 438, Geneva 11		
Mr. Peter Kins, 41 (22) 307333/ext. 3394		
+(w) Lloyds Int'l Dollar	$	110.20
+(w) Lloyds Int'l Europe	SF	196.50
+(w) Lloyds Int'l Growth	SF	209.00
+(w) Lloyds Int'l Income	SF	340.00
+(w) Lloyds Int'l N. America	$	112.80
+(w) Lloyds Int'l Pacific	SF	184.70
+(w) Lloyds Int'l Smaller Cos	$	18.24
MAN INTERNATIONAL FUTURES		
(m) Alubat Mint Gtd.Fund Ltd.	$	105.94
(m) Mint Limited - Ordinary	$	42.96
(m) Mint Limited - Income	$	13.58
(m) Mint Gtd Ltd - Spec Issue	$	21.07
(m) Mint Gtd Ltd - Series A	$	22.92
(m) Mint Gtd Ltd - Nov 1992	$	20.15
(m) Mint Gtd Ltd - Jan 1994	$	16.26
(m) Mint Gtd Ltd - Dec 1994	$	14.80
(m) Mint Gtd Ltd - Aug 1995	$	11.86
(m) Forma Mint Gtd Plc	$	122.12
(m) Mint Sp Res Ltd (BNP)	$	110.60
(m) Newcastle Guaranteed Ltd	$	11.94
MAGNUM FUTURES FUND LTD.		
(m) Deutschemark Class	DM	20.25
(m) Sterling Class	£	4.14
(m) U.S Dollar Class	$	9.13
MERRILL LYNCH		
(d) Dollar Assets Portfolio	$	1.00
(d) Iberia portfolio	$	11.94
(d) Multi-Curr. Bond Portfolio	$	14.89
(d) U.S.A Income Portfolio	$	9.21
(d) US Federal Securities	$	9.56
(d) World Nat Res Pfl. Share A	$	11.19
(d) World Nat Res Pfl. Share B	$	11.13
GLOBAL CURRENCY PORTFOLIOS		
(d) Australian Dollar Pfl.	$	11.35
(d) Canadian Dollar Pfl.	C$	9.92
(d) Deutschmark Portfolio	DM	9.84
(d) Pound Sterling Portfolion	£	10.46
(d) US Dollar Portfolion	$	10.98
(d) Yen Portfolio	Y	985.00
M. LYNCH MLT.NAT'L INV PFL-EQ		
GLOBAL EQUITY PORTFOLIO		
(d) Class A	$	10.57
(d) Class B	$	10.41
CONVERTIBLE SECURITIES PTFL.		
(d) Class A	$	11.47
(d) Class B	$	11.38
BASIC VALUE PORTFOLIO		
(d) Class A	$	10.09
(d) Class B	$	10.06
MIM BRITANNIA,POB 271, St. Helier, Jersey		
(d) Amer. Inc. & Growth	$	1.390
(d) Asia Super Growth Fund	$	14.67
(d) Dollar Man.Curr	$	14.03*
(d) Dollar Man. Port	$	2.292
(d) Gold & Prec. Metals	$	0.929
(d) Gtd. N.W. 1994	$	8.30
(d) Int.High Income	$	2.42
(d) Japan Dollar Perf. Fd	$	3.922
(d) Jersey Gilt	£	0.1705
(d) Nippon Warrant Fund	$	19.33
(d) Okasan Global Strat	$	18.46
(d) Pioneer Markets	£	3.161
(d) Sterling Man.Port	£	1.511
(d) Sterling Man. Curr.	£	17.10
(d) U.K. Growth	£	1.067
NIMARBEN		
(w) Class A	$	181.84
NMB BANK,PO 1800,1000 BV Amsterdam.		
(w) The Brazil Fund	$	1.2545
(d) NMB Dutch Fund	FL	42.50
(d) NMB Real Estate Fund	FL	37.00
(d) NMB Euromix Fund	LF	2.080
NOMURA INVEST BANKING (M.E) B.C.		
(d) Nomura Gulf Fund	$	9.54
NOMURA INTL. (HONG KONG) LTD.		
(d) Nomura Jakarta Fund	$	11.47
OBLIFLEX LIMITED		
(w) Multicurrency	$	21.69
(w) Dollar Medium Term	$	17.18
(w) Dollar Long Term	$	15.72
(w) Japanese Yen	$	23.07
(w) Poud Sterling	£	15.73
(w) Deutsche Mark	DM	12.48
(w) Dutch Florin	FL	12.70
(w) Dutch Florin Multi.	FL	10.32
(w) HY Euro. Currencies	ECU	10.34
(w) HY Euro.Curr.Divi.Pay.	ECU	10.34
(w) Swiss Franc	SF	10.54
(w) Swiss Franc Divi. paying	SF	10.63
(w) US Dollar Short Term.	$	10.36
(w) Swiss Multicurrency	SF	11.60
(w) European Currency	ECU	14.19
(w) Convertibles	$	11.77
(w) French Franc	F	103.21
(w) Swiss Multi-dividend	SF	9.15
OLYMPIA Capital Intl.BVI		
c/o OCM, 17 ave. George V,75008 Paris		
Tel.: 33-1-47208374		
(w) Finsbury Group	$	134.30
(w) Winchester Capital	$	180.92
(w) Winchester Frontier	$	218.35
(w) Winch.Hold.-Intl.SerD	ECU	1,188.47
(w) Winch.Hold.-Intl.SerF	ECU	1,173.03
(w) Winchester Hold.-US$	$	15.75
(w) Winch.Reser.Multi.Gvbd	$	12.23
(m) Winch.Fut.Divers.	$	16.10
(m) Winch.Fut.Orion	$	17.98
PARIBAS-GROUP		
(d) Belux Fund	LF	11,488.00
(d) Cortexa International	$	130.96
(d) Ecupar	ECU	1,482.29
(d) Luxor	$	7.91
(d) Moneyflow	LF	10,028.00
(d) Parinter Fund	$	236.12
(d) Par US Treas. Bond 'Cl. B'	$	156.20
(d) Europhenix	ECU	194.86
(d) Parinter Bond Fund	$	13.35
(d) Paribas-Rente 'A'	LF	1,208.00
(d) Paribas-Rente 'B'	LF	1,395.00
(d) Parvest Obli-Franc 'A'	FF	1,315.10
(d) Parvest Obli-Franc 'B'	FF	1,315.10
(w) Parsee	SF	957.60
(w) Parvest Obli-DM 'A'	DM	1,174.45
(w) Parvest Obli-DM 'B'	DM	1,310.74
(w) Obligestion	SF	86.47
(w) Parvest Obli-Dollar 'A'	$	1,137.09
(w) Parvest Obli-Dollar 'B'	$	1,332.99
(w) Parvest Obli-Yen 'A'	Y	106447.00
(w) Parvest Obli-Yen 'B'	Y	116163.00
(w) Parvest Obli-Gulden 'A'	FL	965.40
(w) Parvest Obli-Gulden 'B'	FL	1,106.92
(w) Parsuisse	SF	1,595.43
(w) Parjapan	Y	3,622.00
PERMAL GROUP		
(m) Drakkar Growth	$	2173.99
(m) EuroMir (ECU) Ltd.	ECU	1022.80
(m) Media Ltd.	$	674.37
(m) Nascol Ltd	$	1442.44
(m) Special Opportunities Ltd	$	1729.90
(m) Updyke Ltd	$	264.32
(m) Value N.V.	$	2037.65
PIERSON,HELDRING & PIERSON N.V.		
Rokin 55, 1012KK, Amsterdam (20-5211188)		
(w) Asia Pac. Growth Fd N.V.	$	36.02
(w) Asian Selection Fd. N.V.	FL	51.80
(w) DP Amer. Growth Fd N.V.	$	27.49
(w) Europe Growth Fund N.V.	FL	665.24
(w) Japan Diversified Fund	$	46.72
(w) Leveraged Cap Hold	$	347.53
(w) Tokyo Pac. Hold. N.V.	$	245.21
PIONEER GROUP		
(d) Pioneer Fund	$	22.88
(d) Pioneer II	$	18.59
PUTNAM		
(d) Emerging Hlth Sc. Trust	$	20.42
(d) Putnam Em. Info. Sc. Tr	$	16.55
(d) Putnam Glob. High Growth	$	13.92
(d) Putnam High Inc. GNMA Fd	$	9.24
(d) Putnam Int'l Fund	$	12.33
ROBECO GROUP		
POB 973, Rotterdam (10-4650711)		
(d) Robeco	FL	99.30
(d) Rolinco	FL	99.30
(d) Rorento	FL	59.50
(d) Rodamco	FL	80.70
ROTHSCHILD AST.MGT.		
(w) Tokyo Pac. Hold. (Sea)	$	178.93
ROYAL B. CANADA,POB 246,GUERNSEY		
+(w) RBC British Fund Ltd.	£	5.372
+(w) RBC Canadian Fund Ltd	C$	13.78
+(w) RBC European Fund	$	13.93
+(w) RBC Far East&Pacific Fd	$	46.91
+(w) RBC Int'l Capital Fd	$	61.22
+(w) RBC Int'l Bond Fund Ltd.	$	12.78*
+(d) RBC Man.Currency Fd	$	39.61
+(w) RBC North Amer. Fd	$	15.61
ROYAL TRUST ASSETMIX FUND		
Lux.Tel:(352)489061		
EQUITY FUNDS		
(d) Alpha UK	£	1.26
(d) Alpha US$	$	1.46
(d) Alpha Worldwide	SF	4.88
(d) Alpha Japanese	Y	969.00
(d) Alpha Pacific Rim	$	1.43
(d) Alpha European	ECU	1.29
(d) Gold Share	$	1.00
BOND FUNDS		
(d) Sterling Pound	£	105.71
(d) US$ Bond	US$	108.95
(d) Deutschmark Bond	DM	48.20
(d) Alpha Worldwide	SF	52.18
RESERVE FUNDS		
(d) Sterling Reserve	£	12.309
(d) US$ Reserve	$	11.221
(d) Deutschmark Reserve	DM	10.933
SHEARSON LEHMAN HUTTON		
(d) Oporto Growth Fund	$	8.25
SKANDIFOND		
SKANDINAVISKA ENSKILDA BANKEN		
(w) Equity Intl Acc	$	12.95
(w) Equity Intl Inc	$	11.73
(d) Equity Global	$	1.29
(w) Equity Far East	$	2.09
(w) Equity Gold	$	0.82
(w) Equity Japan	Y	133.00
(d) Equity Nordic	$	1.56
(d) Equity U.K.	£	1.18
(d) Equity Continental Europe	$	1.44
(d) Equity Mediterranean	$	1.28
(d) Equity North America	$	1.28
(d) Bond DEM	DM	8.91
(w) Bond Intl Acc	$	8.57
(w) Bond Intl Inc	$	6.46
(d) Bond Sweden	SEK	10.47
(d) Bond Dollar	$	1.01
(w) High Income Acc	$	1.16
(w) High Income Inc	$	0.98
(w) Multicurrency	$	1.2109
SOCIETE GENERALE GROUP		
(w) Sogelux Fund (SF)		
(w) SF Bonds A U.S.A	$	12.02
(w) SF Bonds B Germany	DM	22.69
(w) SF Bonds C France	FF	88.95
(w) SF Bonds D Switz.	SF	20.80
(w) SF Bonds E G.B.	£	8.55
(w) SF Bonds F Japan	Y	1646.00
(w) SF Bonds G Europe	ECU	12.29
(w) SF Bonds H World Wide	$	12.15
(w) SF Bonds J Belgium	BF	585.00
(w) SF Eq. K North America	$	12.77
(w) SF Eq. L W. Europe	ECU	13.71
(w) SF Eq. M Pacific Basin	YEN	1676.00
(w) SF Eq. N France	FF	70.80
(w) SF Eq P Growth Countries	$	13.90
(w) SF Equities Q Gold Mines	$	10.75
(w) SF Equities R World Wide	$	12.64
(w) SF Short Term S France	FF	120.82
(w) SF Short Term T Eur.	ECU	11.83
SODITIC ASSET MANAGEMENT INC.		
(w) SAM Diversified Inc.	$	104.75
SVENSKA HANDELSBANKEN S.A.		
146 bd de la Petrusse,L-2330 Luxembourg		
(b) SHB Bond Fund	$	44.90
(w) Svenska Select.Fd Intl Sh.	$	56.03
(w) Svenska Select.Fd America Sh	$	13.26
(w) Svenska Select.Fd Asia Shares	$	8.98
(w) Svenska Select.Fd Germany	DM	10.76
(d) Svenska Sel.Fd Intl Bd.Sh	$	10.24
(d) Svenska Sel.Fd Nordic Shs	$	12.16
(d) Svenska Sel.Fd S/T Ass.Sh	$	10.30
SWISS BANK CORP. (ISSUE PRICES)		
(d) AmericaValor	SF	422.50
(d) AngloValor	£	187.31
(d) Asia Portfolio	SF	621.98
(d) Convert Bond Selection	SF	94.81
(d) Dollar Bond Selection	$	132.56
(d) D-Mark Bond Selection	DM	105.86
(d) Ecu Bond Selection	ECU	94.09
(d) Florin Bond Selection	FL	118.28
(d) FranceValor	FF	1913.05
(d) GermaniaValor	DM	568.10
(d) Gold Portfolio	SF	358.44
(d) ItalValor	Lit	516995.00
(d) Japan Portfolio	SF	317.50
(d) SBC Ecu MMF.	ECU	2710.91
(d) SBC £ MMF.	£	2012.11
(d) SBC Yen MMF.	YEN	501,348.00
(d) SBC US$ MMF	$	6103.17
(d) SBC 100 Index Fund	SF	1194.00
(d) SBC Sfr Bond A/B	SF	1042.86
(d) Sterling Bond Selection	£	102.38
(d) Sw. Foreign Bond Selec.	SF	100.73
(d) Swissvalor	SF	404.00
(d) Universal Bond Select.	SF	72.00
(d) Universal Fund	SF	115.42
(d) Yen Bond Selection	Y	11140.00
TEMPLETON W.WIDE INVESTMENTS		
(d) GROWTH PORTFOLIO		
(d) Class A-1	$	10.56
(d) Class A-2	$	10.86
(d) Class A-3	$	10.70
(d) Class B-1	$	10.49
(d) Class B-2	$	10.79
(d) INCOME PORTFOLIO		
(d) Class A	$	10.32
(d) Class B	$	10.30
THORNTON MANAGEMENT LTD.		
(d) Thornton Inf Apps.fund	$	2.14
(d) Pacific Invt. Fd. S.A.	£	11.14
(d) Pac.Invt. Fd. SA	DM	32.31
(d) Pac.Invt. Wrnts Fd.S.A.	DM	17.81
(d) Pac.Invt. Warrants Fd.S.A.	£	6.14
(d) Thornton Kangaroo Fd Ltd.	$	9.80
(d) Thornton HK & China	$	14.53
(d) Thornton Japan Fund Ltd	$	34.39
(d) Thornton Orient.Inc. Fd Ltd	$	24.39
(d) Thornton Phil. Redev. Fd	$	34.17
(d) Thornton Tiger Fund Ltd	$	34.22
(d) Thor.Pacific Tech.Fd Ltd	$	10.85
(d) Thor.Lift. Dragons Fd Ltd	$	28.00
(d) Thor.Golden Opport.Fd	$	2.14
(d) Eastern Crusader Fund	$	11.04
(w) The Global Access Fund	$	9.6
NEW TIGER SEL. FUND		
(d) Thailand	$	12.43
(d) Malaysia	$	10.18
(d) Indonesia	$	9.81
T. Rowe Price Associates Inc.		
(m) T. Rowe Price Frontier Ltd.	$	10.35
TYNDALL INT'L GUERNSEY LTD		
Tel.0481 27963		
(d) Amer Spec Sits	$	47.29
(d) Eurobond	£	28.63
(d) Mortgage	C$	13.99
(d) Overseas	$	28.85
(d) Tiger	$	46.41
(d) High Yield Bond	£	64.20
(d) Marunouchi	$	85.20
(d) Far Eastern	£	596.30
(d) Gilt	£	513.40
(d) Mgd Currency-Dollar	$	1.301
(d) Mgd Currency-Stlg	£	114.90
(d) 1992	£	303.50
(d) Wall Street	£	245.00
(d) Hi Inc Gilt & Bulldog	£	96.70
UEBERSEEBANK, ZURICH		
(d) B-FUND	SF	937.41
(d) M-FUND	SF	7065.48
(d) E-FUND	SF	587.38
(d) J-FUND	SF	374.72
(d) M-Distribution	SF	98.67
(d) UBZ Euro-Income Fund	SF	9.31
UNION BANK OF SWITZERLAND		
(d) Amca American Shrs	SF	38.15
(d) Bond-Invest	SF	57.00
(d) Brit-Invest Shares	SF	773.00
(d) D-Mark-Invest Bds	DM	200.80
(d) Dollar-Invest Bds	$	113.00
(d) ESPAC Spanish sh	SF	212.00
(d) Eurit	SF	367.00
(d) Fonsa Swiss Sh.	SF	220.00
(d) Francit Shares.	SF	234.00
(d) Germac Shares.	SF	269.00
(d) Globinvest Shares.	SF	108.00
(d) Gold Invest Shares.	SF	200.50
(d) Holland-Invest Sh.	SF	241.00
(d) Itac Shares	SF	237.50
(d) Japan-Invest Sh.	SF	1278.50
(d) Sima (stock price)	SF	228.50
(d) Skandinavien-Invest	SF	296.00
(d) UBS Money Mkt Inv.	$	1052.19
(d) Yen-Invest Bonds.	YEN	84,802.00
UNION INVESTMENT Frankfurt		
(d) Unirenta	DM	36.50
(d) Unifonds	DM	40.40
(d) Unirak	DM	82.40
(d) Unizins	DM	106.45
THE UNIVERSAL GROUP OF FUNDS		
(d) Univers Sav Amer	C$	9.87
(d) Univers Sav Equity	C$	11.06
(d) Univers Sav Global	C$	3.59
(d) Univers Sav Pacific	C$	9.48
(d) Univers Sav Nat. Res	C$	5.53
Other Funds		
(b) Abacus Guart.Fd.Mar.'94'	$	10.21
(r) Acticroissance	$	516.56
(d) Actifinance Intl	$	1072.94
(w) Actigestion	FF	1231.81
(w) Activest Intl	$	23.94
(d) Amvabel	FL	72.10
(w) Aquila International Fund	$	299.87
(b) Ariane	$	3,818.83
(d) Asia Oceania Fund	$	10.20
(m) Associated Investors Inc.	$	775.53
(m) Atlantic Fund	$	85.02
(d) Atlas Fund	SF	110.00
(r) Australia Fund	$	14.22
(w) BDD Inv Fund-Ecu Bd	ECU	5172.65
(w) BEM International	$	5.49
(d) Berg Norden Sicav	$	140.44
(d) Berg Trust Sicav	$	136.43
(w) Berg Trust Sicav Switz.	SF	163.32
(w) Bergen Int'l Fund.	$	11.41
(d) Bever Beleggingen++	$	25.50
(w) Bondselex-Issue Pr.	SF	103.35
(m) J Capel guaranteed Fund	$	18.23
(w) CMI Investment Fund	$	1417.00
(d) Cash Gestion	FF	10008.06
(d) CB German Index Fund	DM	141.76
(m) Cleveland Offshore Fd.	$	29.47
(m) Columbia Securities.	FL	113.66
(w) Commad. Gtd. Fund/USA	$	3.81
(d) Conqueror Fund Ltd	$	88.71
(w) Convert. Fd. Int'l A Certs	$	17.15
(w) Convert. Fd. Int'l B Certs	$	57.75
(w) Cumber Intl N.V.	$	251.60
(w) Daiwa Japan Fund	Y	8978.00
(w) D.G.C.	$	212.10
(d) D-mark-Baer Bond Fd	DM	573.00
(d) Dollar-Baer Bond Fd	$	1130.00
(d) D. Witter Wld Wide Ivt Tst.	$	25.68
(w) Dreyfus America Fund	$	17.72
(d) Dreyfus Fund Int'l.	$	64.91
(w) Dreyfus Intercontinent	$	12.01
(m) Dumenil Arbitrage Fd NV	$	871.97
(d) Emi Germ. Ind Plus(A)	DM	102.82
(d) Emi Germ. Ind Plus(B)	DM	102.82
(d) Emi France Ind Plus(A)	FF	979.05
(d) Emi France Ind Plus(B)	FF	979.05
(d) Emi Uk Index Plus (A)	£	101.34
(d) Emi Uk Index Plus (B)	£	101.34
(d) Emi Bels. Index Plus(A)	BF	9,824.00
(d) Emi Bels. Index Plus(B)	BF	9,824.00
(d) Equicurrency (DOM)	ECU	1.24
(w) Esprit Sicav	ECU	1322.83
(w) Espir. Sto Inv M Sin Eur Fd	$	12.37
(d) EURASUD	FF	1135.58
(d) Europe Obligations	ECU	74.21
(d) Europe 1992	$	11.36
(m) Fatum Fund	$	1004.53
(w) Fairfield Int'l Ltd.	$	149.55
(w) Fairfield Strat. Ltd.	$	59.40
(w) First Eagle Fund	$	38,813.27
(m) First Frontier Funds	$	91.64
(w) F.I.T. Fund II	FF	113.83
(d) Fonditalia	$	89.76
(w) Fonselex Issue Pr.	SF	176.05
(d) Forexfund Limited	$	8.97
(w) Formula Selection Fd.	SF	73.93
(d) Frankl-Trust Eff. Fd	DM	178.40
(d) Frankl-Trust Interzins	DM	39.53
(m) Gems Progressive Fd Ltd.	$	1,023.28
(w) George V INV. BOND F.	$	21.51
(m) German Sel. Associates	DM	2279.10
(w) Green Line France	FF	734.77
(w) Housmann Hldgs. N.V.	$	310.64
(w) Hestia Funds	$	135.38
(w) Horizon Fund	$	1749.31
(w) Ibex Holdings Ltd.	SF	178.85
(w) IFDC Japan Fund	YEN	40,325.00
(r) LA-IGB	$	6.51
(r) LA-IGS	$	9.97
(m) IncAmerica N.V.	$	14.95
(m) IncAsia N.V.	$	8.97
(w) Inpremer	$	10.49
(w) Interecu Fund 'A'	ECU	1043.72
(w) Interecu Fund 'B'	ECU	249.45
(m) Interface Fund Ltd.	$	148.13
(d) Interfund SA	$	47.42
(w) Intermarket Fund	$	426.19
(r) Int'l Securities Fund	$	28.78
(w) Intersec SA	$	4297.71
(d) Investa DWS	DM	83.28
(d) Investmentor Fund	$	100.79
(m) Japan Selection Asses.	Y	11,088.00
(w) Japan Pacific Fund	$	218.49
(w) Japan Rep.Growth F.	Yen	1014398.00
(w) Japan Selection Fund	$	215.52
(d) JJ Placement	FF	11746.70
(d) Kenmar L/C	$	10.00
(d) Kenmar Guarantee	$	10.00
(w) Kenmar Intl - B	$	9443.00
(m) Key Hedge Fund Inc.	$	104.08
(w) Kleinwort Bens. Jap. Fd.	$	235.44
(d) KML-II H.Yield 26/06/90	$	713.69
(w) Korea Growth Trust	$	34.86
(w) LACO International	£	7.10
(d) Leumi Val.Francaises	FF	1051.74
(w) Liberty Offshore Fund	$	706.49
(d) Liquibaer	$	1878.00
(m) London Portfolio G'td. I.	$	86.53
(m) London Portfolio G'td. II.	$	8.36
(w) Luxfund	$	111.49
(w) Lynx Sel.Holdings	SF	135.84
(m) MCM Int. Limited	$	136.50
(w) Moore Global Invts. Ltd.	$	1,253.50
(w) ML.Morgens Lv H.Y.Inv.NV	$	9.39
(d) Mediolanum Sel. Fd.	$	47.84
(d) NCA FUND	$	12.34
(w) Nippon Fund	$	109.00
(m) NMT Asian Sel. Portfolio	$	206.96
(w) NMT Citadel Bond	SF	109.32
(m) NMT Nostec Portfolio s/s	$	118.79
(d) NM Inc. & Growth Fund	$	14.35
(d) Nomura-Cap Int Eq Fd	$	14.45
(d) Nordmix	Lit	11966.00
(m) Nova Plus Fund I Ltd.	$	1000.00
(w) Naveurope	ECU	3298.84
(m) NSP F.I.T.	$	275.80
(m) Oppenheimer U.S.Arb.	$	124.38
(w) Optimum Fund	$	1,317.28
(m) Overlook Performance	$	1213.84
(d) Pacific Nies Fund	$	9.71
(m) PAM Futures Trad.	$	459.77
(w) Pancurri Inc.	$	152.41
(m) Paragon Fund Limited	$	9.44
(d) Pro Traders Judgement	$	90.41
(m) Prosp. I.H.Inc.P.F 22/06/90	$	5.56
(w) Puget-Maine Barclays Pac.	$	194.81
(w) Quantum Fund N.V.	$	14,513.89
(w) Rep.(Guernsey) Dol.Inc.td	$	9.76
(d) SAGA Ameriques	FF	826.56
(d) SAGA Court Terme	FF	1139.25
(d) SAGA France Sicav	FF	508.85
(d) SAGA Long T.Capital	FF	1032.84
(d) SAGA Opportunites	FF	904.22
(d) SAGA Premiere	FF	1132.42
(w) Samurai Portfolio	SF	290.60
(d) Sanyo Kle.Spain Fd	$	11.93
(d) Sarakreek Holding n.v.+++	$	30.00
(d) Scimitar Guaranteed	$	7.85
(m) Scimitar Guar.Cur.Fd.	$	10.00
(d) SCI/Tech. SA Luxembourg	$	21.09
(w) SP International S.A.	$	5181.12
(m) SLH Guar. F.F.I.	$	915.39
(d) Strat Int'l Gold Fund S.A	$	6.85
(w) Sussex Silverman	$	1096.00
(w) Techno Growth Fund	SF	64.36
(d) Templeton Glob Inc.	$	9.92
(m) The Petrus Fund Ltd.	$	1.13
(m) TIIC(O.T.C) Jap.Id Sicav	$	17.41
(w) Transpacific Fund	Y	34871.00
(d) Triton Offshore Class A	$	1,037.11
(d) Triton Offshore Class B	$	981.45
(d) Tudor B.VI Futures.LTD	$	5524.08
(d) Turquoise Fund	$	228.02
(w) Tweedy,Browne n.v.Cl.A	$	3662.08
(w) Tweedy,Browne n.v.Cl.B	$	1790.12
(m) Tweedy,Browne (U.K.) n.v.	$	1371.27
(d) Unico Inv.Fund	DM	71.50
(d) Unico Equity.Fund	DM	66.42
(d) Uni Bond Fund	ECU	1545.76
(r) Uni Capital Fund	$	1642.57
(m) Unitrad FF	FF	10,514.56
(m) Unitrad SF	SF	1,042.92
(m) Unitrad SUS	$	1,032.42
(d) Univers Bonds	DM	133.49
(w) Vanderbilt Assets	$	16.30
(m) Victor Futures Fund	$	187.00
(d) Victoria Holdings Limited	$	87.50
(w) Willerbond Capital	$	14.78
(d) World Fund S.A.	$	11.78
(d) World Balanced Fund S.A.	$	12.16
(w) Worldwide Securities	$	38.52
(w) Worldwide Special	$	988.42
(m) Zweig Int'l Ltd	$ S/S	9,654.00

A$ - Australian Dollars; AS - Austrian Schillings; BF - Belgian Francs; C$ - Canadian Dollars; DM - Deutsche Mark; ECU - European Currency Unit; FF - French Francs; FL - Dutch Florin; Lit - Italian Lira; LF - Luxembourg Francs; p-pence; Ptas - Pesetas; SG$ - Singapore Dollars; SF - Swiss Francs; Y-Yen; a - asked; + - Offer Prices; N.A. - Not Available; N.C. - Not Communicated; o - New; S - suspended; S/S - Stock Split; * - Ex-Dividend; ** - Ex-Rts; @ Offer Price incl. 3% prelim. charge; • - Paris exchange; ++ - Amsterdam exchange; e - misquoted earlier; x - not registered with regulatory authority

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Bonn to Clean Up East Environment

By Marlise Simons
New York Times Service

BONN — In the halls of Bonn, where the sculptors of a new Germany are at work, one issue taking on urgency is how the orderly and scrubbed half of the country can help clean up the disheveled and polluted half.

Chemists, biologists and other environmental experts from West Germany say quick action is needed, because four decades of unbridled industrial spewing and spilling in East Germany have created an acute crisis for man and nature.

The enormous task ahead includes purging most of East Germany's rivers, tackling poisoned soil, rehabilitating sick and dying forests and bringing fresh air back to the suffocating industrial towns.

Plans call for dismantling scores of obsolete, polluting factories and reviewing some 15,000, often illegal dumps of dangerous toxic waste.

Some specialists debating the ecological disaster have compared the challenge ahead to restoring a country after chemical warfare.

With financial and technical help from West Germany and to some degree from the European Community, it is expected to go on for most of this decade and cost billions of West German marks.

"This is very ambitious, but in the year 2000 the two governments want environmental standards for East and West Germany to be the same," said Wilhelm Steven, a liaison officer at the Ministry of Environment.

The two Germanys have agreed that the environmental overhaul must begin even before a single German state is formed.

To prevent East Germany from becoming a dumping ground for discarded or unsafe Western technology, officials in Bonn said, new rules effective July 1 require that any newly built industry, smokestack or engine in East Germany abide by West Germany's strict environmental regulations.

The East's existing plants, vehicles and waste will be allowed a transition period to meet Bonn's standards.

"If we applied West German law now, 70 percent of East German industry would have to shut immediately, which is not possible," Mr. Steven said.

In conversations in West Germany, spokesmen take pains to stress that Bonn and Berlin are preparing every environmental project and target jointly.

But by all appearances, the kitchen where the scrubbing and expunging is being organized is in Bonn.

Consultants hired by Bonn in the last month have been looking through East Germany's contaminated cities and countryside, testing air, water and soil to establish a complete inventory of ills.

In the rush to compete with the West, communism's industrial drive had compelled managers only to meet production targets, regardless of the cost or hazards for people's health or the environment.

Marlene Muhe, spokeswoman for the Environment Ministry, said that although the magnitude of the problems was evident, many precise data were still missing because East German specialists lacked the measuring instruments.

But the bill for some vital environmental steps, officials said, is already painfully clear: providing East Germany with relatively clean energy is expected to cost $20 billion.

East Germany's 16 million people thrust 5.2 million tons of this pollutant into the air every year, compared with West Germany's 60 million people, who annually produce 3 million tons.

Many factories have already been deemed to be too obsolete to merit installation of scrubbers, filters or other antipollution devices.

In an initial study, the East German government recently said it would need to close down at least 400 polluting and outdated plants.

Gill Allen/The Associated Press

Britain's prime minister, Margaret Thatcher, addressing the London conference. She pledged $9 million for the fund.

Accord Near on World Environmental Fund

LONDON (AP) — Environmental officials worked out details of a $160 million world fund to protect the planet, offering an additional $80 million if China and India sign an international treaty on protecting the ozone layer.

The United States, which would contribute about one-fourth of the fund, is seeking a permanent place on the proposed 15-person executive committee that would decide how the money is spent.

Some delegates said the United States was prepared to compromise and that final agreement would be reached before the meeting of officials from about 100 countries ends Friday.

CONGRESS: *Meeting on Track*

(Continued from page 1)

demands for radical change in the party.

Mr. Medvedev said he hoped the party would not split after the congress but added that he expected more resignations. "That's not a tragedy," he said.

The party platform, "Toward a Humane Democratic Socialism," to be considered by the congress, appears intended to embrace some of the ideas of Democratic Platform wing of the party without alienating the conservatives. Much shorter than a draft published in February, the platform mainly restates Mr. Gorbachev's key changes: the establishment of a socialist market economy, the rise of genuinely sovereign republics and a multiparty political system.

It clearly lays blame for the "distortions" of the system on Stalin in the 1930s, 1940s and early 1950s, but not on the founder of the Bolshevik state, Lenin: "False ideas about socialism as a society based on the state monopoly on property and dictatorship directed by the party-state brass in the name of the proletariat, led to the tyranny, lawlessness and the alienation of the people from property and authority," the platform said.

Many radicals now admit the country's present state of affairs is rooted not only in Stalin's forced collectivization, purges and attack on the culture, but also in Lenin's establishment of forced labor camps and a lack of democratic institutions. However, a denunciation of Lenin in any form would likely have led to the fury of the majority of delegates.

The platform also says that the current leadership made mistakes to its own, including the "unthought-out" anti-alcohol campaign and a "confused" establishment of cooperative ventures.

The party will be one of "socialist choice and a communist perspective," the platform says — a formulation that clearly tries to dilute and distance itself from orthodox principles such as the dictatorship of the proletariat and class struggle.

The platform's vision of a "communist future" also appears deliberately hazy, lacking any traditional Leninist vocabulary: "We consider the communist perspective to be a natural, historic direction of development of human civilization, a movement toward a harmonious society where the free development of the individual becomes the conditions for the free development of all."

In order to create the image of a kind of sensible centrist position, the platform reassures conservatives that it will "act against any forces which want to return to a bourgeois system." Similarly, it reassures the radicals that it will not reassert any sort of neo-Stalinist "barracks order."

In its description of the various forms of property it endorsed, the party platform includes *trudovaya chastnaya sobstvennost*, or earned (worked for) private property. Leninist ideology had always barred private property, and the party has avoided the term until now.

Mr. Medvedev indicated that the party was to be reorganized so that there would be a party leader, two deputies and a presidium that is at least twice as large as the present 12-man Politburo. The presidium is likely to include representatives from all 15 republics.

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EUROPEAN TOPICS

France Says No to Ads On Tobacco and Liquor

By a vote of 315 to 149, the French National Assembly approved a bill on Wednesday that will ban tobacco and alcohol advertising, with a few minor exceptions for wine, from all media — radio, television, newspapers, magazines, even billboards and bus and subway posters. The law, which will take effect Jan. 1, 1993, forbids all direct or indirect advertising for tobacco products, including sponsorship of sports and cultural events.

The ban on alcohol advertising applies to all drinks with an alcoholic content of more than a minuscule 1.2 percent, but wine producers will be allowed to promote their products in publications aimed at adults. Health Minister Claude Evin said, however, that this exemption was inconsistent with European Community regulations and could be overruled. Sales of alcoholic beverages at gasoline stations will be prohibited.

According to the government, smoking causes 65,000 deaths and alcohol 45,000 deaths each year in France.

Two Border Cities Consider a Reunion

Inspired by recent changes in Eastern Europe, Sergij Pelhon, mayor of the Yugoslav town of Nova Gorica, has called for reunification with Gorizia on the Italian side of the border, La Repubblica, a Rome daily, reports. The cities, straddling Slovenia's border with northeastern Italy, grew apart after World War II.

After the war, Mr. Pelhon said, "a wall descended upon the city, dividing the two ethnic populations." He proposed that the two city governments work toward the creation of a "shadow government" by 1992, to coordinate services such as hospitals and trade centers, and to improve cultural ties.

The city was the seat of a duchy until it passed to Austria in 1500. A noted cultural center under Austrian rule, it was ceded to Italy in 1919. Under a 1947 treaty, Italy kept Gorizia and Yugoslavia received its hinterland, where the adjoining town of Nova Gorica grew. Gorizia, with a population of 40,000, and Nova Gorica, with 25,000, already cooperate on several local issues.

Antonio Scarano, mayor of Gorizia, welcomed the idea as a potential "experiment for the integration" of Eastern and Western Europe. He suggested that for the time being, the city seek to become a "free territory" without customs barriers. He also welcomed Mr. Pelhon's offer to "heal old wounds" by locating the mass graves of Italians killed by Yugoslav partisans toward the end of the war.

Around Europe

If present trends continue, only half the children in Britain will be living with both parents in conventional families by 2000, according to a demographic survey conducted by the Family Policy Studies Centre, an independent British organization. There will be more step-families and single parents, because more children are born out of wedlock, more couples are divorcing and cohabitation is increasing, the survey indicated. As many as 37 percent of marriages will break up and 20 percent of children under 16 will have divorced parents. According to the report, the change in traditional attitudes would require new policies, especially for employment, social security and housing.

There will be no matchmaking feast this year in Plan, a Spanish village in the Pyrenees. Plan was put on the map five years ago when the hamlet's 140 bachelors, in an attempt to keep it from dying, advertised in regional newspapers for eligible women. The three-day party became an annual event and led to more than 30 marriages, although most couples have moved away to nearby towns. This year, Plan has decided to skip the event because it does not have enough money to foot the bill. But the population has stabilized at 200 and boasts a new pharmacy, a hotel-restaurant and a beauty parlor.

EC agriculture ministers, meeting Tuesday in Luxembourg, approved a plan to introduce a "green" label that would enable shoppers to choose organically grown fruit and vegetables. The EC wants to encourage farmers to grow high-quality food without using chemical fertilizers.

In poor Naples neighborhoods, gangs of juveniles who mug locals and tourists may soon have to face a powerful enemy: the evil eye. Cristina Sosti, a Neapolitan, has set up the Associazione Scippati Tristi e Nostalgici — the Association of the Sad and Nostalgic Mugged Ones — to help mugging victims. The members, who must prove that they were mugged at least once, will receive psychological help and self-defense training. They will also wear buttons depicting two horns. This is a reference to the Neapolitan gesture against the evil eye, made by pointing two fingers, or a red horn. The would-be muggers are warned: their next victim may make the feared gesture.

Sytske Looijen

BUSH: *Gain in Taxes, but Loss on the Campaign Trail*

(Continued from page 1)

this discontent from growing into a full-scale revolt.

"No one's panicking or freaking out," said Mary Matalin, the Republican National Committee's chief of staff.

"We're trying to see it in the context of a serious deficit-reduction plan," she said. "And people will ultimately see it as Bush being a leader and trying to solve a difficult problem."

Other prices that Mr. Bush must pay in the short term are scathing cartoons about his newly movable lips, and a lot of partisan razzing.

For this year, at least, Democrats believe that the phrase "tax-and-spend Democrats" can no longer be a staple of the Republican vocabulary.

The Democratic leadership has initially taken the high road, forswearing any impulse to gloat. But Representative Beryl Anthony Jr., chairman of the Democratic Congressional Campaign Committee, gave a clear picture of what lay ahead.

"I'm chairman of the campaign committee," he said, "and we'll make it a political issue."

Opinion polls and election returns have long confirmed that people do not like higher taxes.

But Mr. Bush may in some ways be ahead of his party.

A New York Times/CBS News Poll in May found that Americans overwhelmingly expected their taxes to rise as an aid to deficit reduction, and that they had become more resigned to the idea.

Not all Republicans were critical of Mr. Bush. The White House had done a good job of extracting vows of silence or nonaggression from some predictably vocal colleagues.

One of the party's crucial defenders of the no-new-taxes faith, Edward J. Rollins, was noticeably unavailable. Mr. Rollins is head of the National Republican Congressional Committee, the organization responsible for getting Republicans elected to the House.

Even Representative Newt Gingrich of Georgia, the combative Republican whip and a leading opponent of tax increases, offered an uncharacteristically tepid response, pinning his defense of the president on a semantic argument that Mr. Bush was not really breaking his pledge.

"He very explicitly didn't say, 'Raise taxes,'" Mr. Gingrich said. "He said, 'Seek new revenues.'"

House Democrats, after months of being pummeled on the tax issue, were having none of that interpretation.

"George Bush has announced that he is raising taxes," Robert G. Torricelli of New Jersey told the House. "The charade is finally over."

COURT: *A Lift for Rights Groups*

(Continued from page 1)

decision throwing out a program in Richmond, Virginia, the justices curtailed the power of states and localities to adopt affirmative action programs.

Civil-rights groups had feared the court might use the Federal Communication Commission cases to cut back on congressional authority as well.

Instead, the court strongly reaffirmed and extended the 1980 ruling on minority contracts.

Justice Byron R. White split from his fellow conservatives on the bench to join the majority, which also included Justices Thurgood Marshall, Harry A. Blackmun and John Paul Stevens.

The four dissenting justices, in an opinion by Justice Sandra Day O'Connor, said the ruling "marks a renewed toleration of racial classifications" and "permits distinctions among citizens based on race and ethnicity which the Constitution clearly forbids."

Justice Anthony M. Kennedy, in an even more strongly worded dissent joined by Justice Antonin Scalia, accused the court of returning to a discredited 1896 decision in the Plessy v. Ferguson case, which upheld "separate but equal" facilities for whites and blacks.

These were among other rulings on Wednesday:

- The court ruled that people charged with child abuse are not always entitled to a face-to-face confrontation with their young accusers.

In a decision expected to make it easier to prosecute suspected child abusers, the court said the Constitution allows for exceptions to such potentially traumatic confrontations.

- The court ruled that most of the nation's post offices may ban soliciting on their property. The justices, by a 5-4 vote, said a regulation imposing a blanket ban does not violate free-speech rights.
- The court reinstated the convictions of two political activists who solicited contributions and distributed literature outside a post office in Maryland.
- The court upheld Arizona's death penalty law in a decision that also removes a constitutional shadow from similar laws in Idaho and Montana. The justices, by a 5-4 vote, ruled that the Arizona law is valid even though judges, not juries, decide whether a murder was a crime for which death can be the punishment.
- The court limited the power of environmentalists to use the federal courts to prevent opening of federal lands to commercial development. By a 5-4 vote, the justices overturned a pro-environmentalist ruling that had been challenged by the Bush administration.

The rulings ended the 1989-90 court session.

LATIN: *A Bush Proposal*

(Continued from page 1)

loans to countries that "adopt strong economic reform programs" in conjunction with the International Monetary Fund and the World Bank, according to a fact sheet provided to reporters.

Mr. Bush recommended creation of environmental trusts into which interest payments on U.S. loans can be paid. The money would be used to finance environmental programs in the debtor countries, he said.

"These innovative agreements offer a powerful new tool for preserving the natural wonders of this hemisphere we share," he said.

With some countries already participating in deals that enable them to sell off some of their debt for environmental programs, Mr. Bush said unconventional arrangements were needed to supplement debt restructuring and renegotiation.

The White House said Mr. Bush would ask Congress for authority to write off or otherwise reduce some $7 billion in loans from U.S. aid or food programs in return for economic or environmental changes.

In some cases, he said, "the heaviest official debt burdens" in Latin America, where almost $12 billion is owed to the U.S. government and billions more is owed to banks, fall on small countries least able to benefit from more traditional approaches.

Mr. Bush said the United States wanted the International Development Bank to create a new lending program for countries "that take significant steps to remove impediments to international investment."

Such impediments include bureaucratic and logistical blockades to potential investors, he said.

The United States, Mr. Bush said, is prepared in addition to contribute $100 million to a proposed International Development Bank administered "investment fund for the Americas."

He said he would seek matching contributions from Japan and Europe that would be used for grants to countries that make broad investment changes. *(AP, UPI)*

CARLOS: *Hungary Haven*

(Continued from page 1)

1980s? What was the extent of the cooperation between Romania's Securitate secret police and Palestinian terrorist groups?

Another question is how far the blame will spread if governments bring former rulers like the ailing Mr. Honecker to justice. And to what extent can accused men still count on a web of conspiracy to preserve secrets about the past?

Mr. Horvath's accusations could touch officials at all levels in the former regime.

"This is the first occasion that investigations are launched by the country's new power against prominent figures of the former state-party for suspected crime," he said.

Mr. Benkei, the former interior minister, and Andras Gyenes, the foreign affairs secretary in the Central Committee of the Communist Party at the time Carlos was said to be in Hungary, both denied they had anything to do with the affair.

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Attack Victims Detail Terror

2 Tell of Gang 'Wilding' Before N.Y. Jogger Was Raped

By Ronald Sullivan
New York Times Service

NEW YORK — Two bicycle riders described their terror as they were attacked in Central Park by a gang of youths who the police say minutes later raped and viciously beat a female jogger.

The accounts came on the first day of testimony in a trial that has attracted a packed courtroom in state Supreme Court in Manhattan.

The apparently motiveless "wilding" attacks that witnesses have described — in which youths gang up on random passers-by — have served as fuel for New Yorkers' crime fears.

Several witnesses on Tuesday described the minutes before the attack. One of them was a police officer, who said he never heard the woman's screams even though he was about 35 yards (30 meters) away from her around 9:30 P.M., about the time of the attack.

One of the bicyclists, Gerald Malone, 35, an advertising executive, testified that he and his fiancée, Patricia Dean, were pedaling north on the East Drive near 97th Street about 9:20 on a tandem bicycle when a group of hooded youths jumped in front of them.

Fearing for his life and terrified for his fiancée behind him, Mr. Malone said, he thought the gang would catch up to their bike. He aimed it at the youth he thought "was the leader of the pack."

"It was sort of like a gantlet," he said. "They were all over the place."

"But," he said, "I decided I was going to get this guy, the leader, the tallest one who seemed to have the energy of the group. I was going to make him my mattress. I tried to hit him. I tried to hit him as hard as I could. But he jumped out of the way."

The other cyclist, Michael Vigna, 31, a New York City environmental health inspector, said he was pedaling north on the East Drive about the same time when a group of about 30 youths "spread across the roadway" in front of him.

"One of them struck at me with his fist," Mr. Vigna said.

"I heard the sound of his fist barely nicking me in the face. He sort of swung out and I jerked to the side." Mr. Vigna said he managed to get away.

By that time, dozens of patrol cars and scores of police officers were pouring into the park in response to reports of the attacks, which the arrested youths later described as "wilding."

Despite their numbers, none of the officers came close enough to stop the attack on the woman or the later attacks on three men who had been jogging.

Three defendants — Raymond Santana, 15, Antron McCray, 16, and Yusef Salaam, 16 — are charged with the rape and attempted murder of the 29-year-old woman, who prosecutors said was "left for dead."

Racism Felt On the Rise In New York

By Thomas Morgan
New York Times Service

NEW YORK — New Yorkers say race relations in their city are bad and getting worse, according to a New York Times/WCBS-TV News Poll.

But despite a general perception of growing racial tensions, city residents do not seem to sense a corresponding deterioration in their own relationships with members of other races.

Of the 1,047 adults who were surveyed from June 17 to June 20, 72 percent characterized race relations in New York as "generally bad."

And 53 percent said the racial tensions had worsened in the last year.

But when asked questions about the way members of various races interacted, there was no sign of worsening tensions.

But 50 percent of the respondents said that they knew people who used racial slurs, statistically indistinguishable from the 53 percent five years ago.

And 19 percent said that they used such slurs themselves, virtually the same as the 22 percent five years ago.

The poll revealed that 20 percent of whites and 22 percent of blacks said they had been the targets of racial slurs in the last year.

Three years ago, 16 percent of whites and 20 percent of blacks said that they had been targets of racial insults.

The increased perception of racial problems parallels recent coverage of racial issues by local newspapers and television.

A majority of those polled said that the coverage had made tensions seem worse than they really were.

About three-fifths of the respondents said the newspapers had hurt race relations in New York with their coverage, while slightly fewer said that television news programs had hurt race relations.

The poll had a margin of sampling error of plus or minus 3 percentage points.

One and a half times as many whites as blacks said that most crimes against whites were committed by blacks.

Baker Order Gives Ambassadors Less Say

By Joseph Fitchett
International Herald Tribune

PARIS — In an order seen as restricting the traditional freedom of U.S. ambassadors to speak out on foreign policy, the State Department has told them they must obtain clearance from Washington before making any significant public statements.

In the past, U.S. ambassadors have enjoyed considerable latitude in deciding how to handle their relations with press and television in host countries, expressing U.S. policy views as they thought best locally and then reporting their comments to Washington.

The new restriction, which took effect June 18 on instructions from Secretary of State James A. Baker 3d, has caused dismay among many current and former U.S. diplomats. Many complained that the new policy broadened a trend for Mr. Baker and a few key aides to monopolize foreign policy and exclude other diplomats from more than peripheral roles.

"This is quintessential Baker style," a former U.S. ambassador said, "trying to keep total control in his hands and operating under the delusion that Washington knows everything and the people overseas know nothing, even about local perspectives."

Even if the State Department is not deliberately seeking to muzzle ambassadors in commenting on U.S. policy, a Bush official acknowledged, embassies will find it more difficult to articulate U.S. policy to foreign audiences.

The additional red tape and the time differences between Washington and foreign capitals, he said, would curtail ambassadors' public visibility, delay embassy comments and ensure that commentary comes almost entirely from Washington.

In Washington, a State Department spokesman denied that the rules had been changed by the notice, which he said simply switched the authority for approving interviews by diplomats to a new office.

But he said that he was not sure what rules had applied until now. Diplomats abroad insisted that the rules have been significantly tightened.

"We are trying to live within it," a U.S. diplomat in Europe said, "but literally it means that the United States will have no public affairs program abroad" if the State Department pursues what many see as an effort to manage U.S. official contacts with the foreign press worldwide.

The State Department cable reaffirmed ambassadors' traditional authority to manage their own contacts with the local media without consulting Washington, but imposed a crucial caveat:

"Prior clearance is required for any on-the-record interviews that are likely to make news beyond your host country."

"That means anything in today's environment," a U.S. diplomat said, adding: "The effect is to reduce morale and initiative in our embassies — but maybe that is part of the idea."

All the officials who agreed to discuss the debate in the diplomatic service requested anonymity. Although no U.S. ambassador is known to have protested, many are said by aides to be resentful at being put on a tighter rein by an administration that appointed them.

They cited a recent meeting at which a senior Bush administration official acknowledged — and defended — the administration's conviction that events are moving so fast in the international area that U.S. policy must be handled entirely by a half-dozen people in Washington, with little or no scope for specialists overseas or even in the capital to be deeply involved.

In his off-the-record remarks to U.S. and European diplomats, the Bush official said that controversial and sensitive developments were happening so fast that it was impossible to involve even the top layers of government bureaucracy.

The official reportedly cited several reasons for confining any knowledge about key U.S. initiatives to a half-dozen policymakers until they were announced.

Along with the risk of bureaucratic opposition, including deliberate disclosures, he said, the growing demand for direct consultations with allied nations' policymakers on unfolding policies meant that there was only time for discussions and decision-making among a small number of people who worked together closely.

In addition, he said that the increased pace of newsgathering, exemplified by the spread of satellite television, meant that the U.S. government needed to respond quickly and authoritatively to potentially troublesome developments.

Because of improved coverage of news, he continued, the information available to policymakers in Washington was now as good as the knowledge of U.S. officials in local embassies.

Louisiana Legislature Passes Strictest State Abortion Law

New York Times Service

BATON ROUGE, Louisiana — The Louisiana legislature has adopted the strictest state abortion law in the United States, prohibiting all abortions except those necessary to save the life of the mother.

Both supporters and opponents of the legislation said it could lead to a new U.S. Supreme Court decision redefining a woman's right to have an abortion.

Governor Buddy Roemer, a Democrat whose party has dominated the legislature, has said he will veto any abortion bill that does not permit abortions for the victims of rape or incest.

The State Senate approved the legislation Tuesday evening by a vote of 24 to 15. That would be two votes short of the two-thirds necessary to override the governor's veto. The House passed the bill on June 14 by a vote of 74 to 27, a margin that exceeded the two-thirds majority.

Under provisions of the bill, those convicted of providing abortions could receive penalties of one to 10 years of "imprisonment at hard labor" and fines ranging from $10,000 to $100,000.

If the legislation becomes law, the only abortion statute that would be as restrictive as Louisiana's is Guam's. That territorial law, which was enacted earlier this year, prohibits abortions except when a pregnancy endangers a woman's life.

The Louisiana bill was specifically intended by its authors to provoke the Supreme Court into overturning the landmark Roe v. Wade decision of 1973, which established a constitutional right to an abortion.

Conference of Overseas Americans Is Deluged by Enthusiastic Response

By Barry James
International Herald Tribune

PARIS — Overwhelmed by the response to the First World Conference of U.S. Citizens Abroad, organizers are appealing to Americans to stay away and instead send written statements about their concerns.

The conference in the outskirts of Paris next week, which will be attended by 12 members of Congress, will deal with seven main issues — taxation, citizenship rights, medical care and coverage, education, voting, general policy and business competitiveness.

"We need one-page typewritten statements about any or all of the issues about which Americans feel most strongly," said Shari Leslie Segall, public relations director of the American Hospital in Paris, who is organizing the meeting. The conference is being sponsored by six groups of Americans overseas and will take place July 5 and 6 at the hospital. The hours will be from 9 A.M. to 6 P.M. the first day and 9 to 5 the second.

Ms. Segall promised that points raised in the letters will be addressed during the conference.

She said letters that arrive after the conference would still be included in the final report, which will be sent to members of Congress and senior government officials.

She said the letters should be sent to the American Hospital in Paris, at 63 Boulevard Victor Hugo, 92202 Neuilly-sur-Seine, France. "I guarantee they will get to the appropriate committees," she said.

The conference will be held in the 200-seat auditorium at the hospital, and the proceedings will also be piped to tents on the hospital lawn. There is enough room only for a few hundred delegates, and many of the seats have been taken by representative organizations or the six sponsors. These are: the Association of Americans Resident Overseas; the European Council of American Chambers of Commerce; American Citizens Abroad; Democrats Abroad; Republicans Abroad; and the Federation of American Women's Clubs Overseas.

Ms. Segall said people will be coming from as far afield as Brazil and the Philippines. "We expect that in the seven areas we can persuade the government to reconsider how it treats its expatriates," she said, adding that the participants are going to talk "about concrete changes in the law."

"We are taxed twice and the citizenship of our children is in jeopardy, but people at home think we are laying on the beach in Monte Carlo," she said.

The congressional delegation will be led by Representative Mervin M. Dymally, Democrat of California, the chairman of the House subcommittee on international operations. In November the subcommittee held a hearing in Washington on the concerns of an estimated 3 million Americans living abroad. The conference next week was organized on the basis of that hearing.

The delegation also will include: Representatives Bill Alexander, Democrat of Arkansas; George W. Crockett Jr., Democrat of Michigan; Paul E. Gillmor, Republican of Ohio; Donald E. Lukens, Republican of Ohio; Donald M. Payne, Democrat of New Jersey; Lawrence J. Smith, Democrat of Florida; Gerald B. H. Solomon, Republican of New York; Barbara F. Vucanovich, Republican of Nevada, Ted Weiss, Democrat of New York; Jaime B. Fuster, a Democrat who represents Peurto Rico in the House as resident commissioner; and Ben Glaz, a Republican delegate from Guam.

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OPINION

Realism on Taxes

In substantive, as distinct perhaps from political, terms, George Bush's no-new-taxes campaign pledge was a mistake. Now he is extricating himself about as gracefully as he can. In acknowledging that "tax revenue increases" are among the measures necessary to reduce the deficit, he did the right thing. In refusing to say more than that they agree with the president in his new assessment, the Democratic leaders of House and Senate played it right as well; this is the wrong time to rub it in. For both sides, the hard part is just beginning.

It has been obvious since early in the Reagan years that the deficit was not going to be reduced substantially without a tax increase; not even Ronald Reagan, for all his caricaturing of big government, was ever able to identify or willing to support the necessary spending cuts to do the job. It has been equally obvious that, on taxes, the pummeled Democrats were not going to go first. The president now gives them — and perhaps some Republicans as well — both political cover and a push in the right direction.

Now come the serious problems of which tax increases, which spending cuts and what mix of the two. A frequent estimate in the unsuccessful past has been that about half of deficit reduction should come through higher taxes and half through spending cuts, with about half the cuts in defense and half in domestic programs. That sounds at least like a reasonable starting place. The tax increases should help restore progressivity as well as revenue; both have been lost in the past 10 years. The defense cuts, as the president said, should be "orderly." His list of the steps to be taken began with "entitlement . . . reform"; if only in the interest of fairness, that ought to include some reduction in the net cost of Social Security, now a fifth of the budget. The "budget process reform," of which the president also spoke, ought not involve a major and lasting cession of fiscal power from the legislature to the president, as would occur, for example, with a line-item veto.

The deficit, in part through the interest costs it entails, inhibits the economy as well as the government. It has to be brought down. The president said that the budget negotiations will now resume — he could have said start — promptly with a view toward reaching substantive agreement "as quickly as possible." Every American should hope so.

— THE WASHINGTON POST.

The Right to Die

The right to live free includes the right to die. That is the bold yet prudent finding from the U.S. Supreme Court. Constitutional liberty includes a right to refuse medical attention even when that could prolong or save one's life. The decision is bold because it demonstrates a living constitution at work, giving birth to a newly declared right. And that right is recognized, in a nearly unanimous opinion, by Chief Justice William Rehnquist and his band of strict constructionists. The decision is prudent because the court is willing to let states deny that right to people who have not claimed it in clear and convincing terms.

Prudent, but harsh for the family of Nancy Cruzan, the once-vibrant young woman whose existence as an unconscious, vegetating hospital patient brought the issue to the court. She cannot now tell her loving parents to disconnect her feeding tubes, though they are sure that is what she would say. She did tell a friend, shortly before her near-fatal auto accident seven years ago, that she did not think much of enduring as a vegetable. But that remark was deemed insufficiently clear and convincing to a hostile Missouri Supreme Court.

The Cruzans presumably can now carry out their understanding of their daughter's wishes by moving her to a state with less insistent right-to-die laws. Meanwhile, the Supreme Court only permits states, and does not require them, to insist on such a heavy burden of proof before permitting the plug to be pulled.

The Cruzan decision puts a premium on foresight. It is clearly never too early in life to register some statement of intent to guide one's family or guardian in the approval of medical care in case of an emergency. The possibility of suffering a fate like Nancy Cruzan's where state law demands a clear and convincing statement makes it foolish not to consider a living will, a durable power of attorney or other device.

Recognition of this right to refuse treatment clarifies the responsibility of courts in the future. They will be duty bound to honor the wishes of people who become incompetent if those wishes were clearly expressed when they were competent. Science, by making it possible to save thousands from death, also consigns many to survival in an unconscious condition. That has created the need to honor the right to die.

It is no consolation to the Cruzans, but this Supreme Court decision offers a monumental example of law adjusting to life.

— THE NEW YORK TIMES.

One Chinese Step

The latest step China has taken to work its way back into minimal international favor is the release of Fang Lizhi, a dissident astrophysicist sometimes called the "Chinese Sakharov," and his wife, Li Shuxian. The United States promptly hailed "this humanitarian action" as "a farsighted, significant step that will improve the atmosphere for progress in our bilateral relations."

No doubt the political impulse was strong on both sides. The Chinese are still smarting from the obloquy they earned by crushing the democracy demonstrators championed by Mr. Fang. The industrialized democracies and the U.S. Congress are weighing decisions affecting China's access to the world economy, and so this was a crucial moment for Beijing to play the Fang card. The American government has made a costly political investment in normalizing relations with China. President George Bush had every right to feel the Chinese were lagging in their response. Hence the gratitude, expressed to excess by the White House spokesman, for the transaction that freed Mr. Fang.

It leaves a China with hundreds or more other political prisoners who do not enjoy the comforts of celebrity and least of all the protections of a rule of law. It also leaves a China with a government so narrow, grim and unaware that it actually admits without seeming embarrassment, in its statement on the release of Mr. Fang, that it compels citizens to be faithful to "the Four Cardinal Principles" — principles of adherence to the socialist road, to the people's democratic dictatorship, to the leadership of the Chinese Communist Party and to Marxism-Leninism and Mao Zedong thought.

Mr. Fang had no hesitation in declaring that he opposed the Four Cardinal Principles — a view he recognized as violating the Chinese constitution. The authorities found here "repentance." Others will find honor and self-respect.

— THE WASHINGTON POST.

Other Comment

Now the Myth of Gorbachev

It took 70 years to destroy the myth of socialism as the most beneficial and just social system. The millions of Soviet citizens who were killed during the civil war and collectivization, who starved to death, who were executed or perished in the camps, did not destroy that myth. The blood spilled on the streets of Budapest and at the Berlin Wall, the Soviet tanks in Prague, the millions who voted with their legs, fleeing Eastern Europe in search of a better life, did not destroy that myth.

The myth finally shattered because of empty store shelves and empty words. It turned out that surrealism is not simply a movement in art; it is a style of life — one without freedom, without normal food and shelter, one foisted on society as a whole by a small minority.

The myth of socialism has collapsed, but its harmful consequences still persist, and eliminating them will be complicated by the birth of a new myth — that [Mikhail] Gorbachev is striving for democracy in the face of opposition, and that the only way to help him is by silence in the Soviet Union and in the West. The new myth's influence extends beyond the wobbly liberals of the U.S.S.R. to many people in the West, including leaders who had earlier been called "diehards" and "hawks" in our press.

Mr. Gorbachev proclaimed the need for perestroika, for reconstruction, but no one asked what he was going to build. Mr. Gorbachev's words — "a democratic and humane socialism" — were taken from the past. There is no more substantive content in them than there was in the slogans "socialism — the first phase of communism" and "developed socialism." It is scarcely worth the effort searching for meaning in these phrases, since escaping from one myth we are returning to our old ways, but where 60 million people are living below the poverty line. (This is the statistic for the country as a whole; in the Muslim regions, every second or third person lives in need.)

Five years of perestroika have gone by, and still there is no constitution which can serve as a basis for the future. Of course, by now, it is not clear whether a new treaty of union will be needed at all, since the republics haven't been sleeping while our leaders have been meditating.

For Americans, Mr. Gorbachev is the author of perestroika, a democrat, the liberator of Eastern Europe, the Man of the Decade. They associate his name with peace, prosperity, reduced military budgets and lower taxes. He's the good wizard from a fairy tale. Another myth! They're not interested in what will happen to the peoples of the U.S.S.R. under Mr. Gorbachev. A strange replay of history — a new cult of personality, but this time in the West, not in the U.S.S.R.

On a Moscow street, an American tourist was arguing with a Russian, who ended the conversation with an offer: "If you like Gorbachev so much, why don't you take him!"

— Yelena Bonner, in the July-August issue of Freedom at Issue (Washington).

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Behind the Diplomacy, It's Still a Nuclear Standoff

By Fred C. Iklé

WASHINGTON — Old alliances today seek new purposes, old enemies forge new links, every relationship between East and West is being transformed — ideology, politics, travel and trade. Everything save the nuclear confrontation.

Virtually unchanged since the nadir of the Cold War, the U.S.-Soviet nuclear confrontation persists, notwithstanding the arms control garlands that have been draped over it. Washington and Moscow keep replacing older nuclear systems with new ones — an enterprise called "modernization." What is being modernized, however, is the equipment, not the strategy. The same old concepts serve to justify the size and capabilities of nuclear forces.

Today — as in 1980, 1970, 1960 — America and Russia deploy vast arrays of nuclear arms, assiduously kept ready every minute of every day to destroy the other side. On both sides this potential for unleashing nuclear holocaust remains the standard for judging which new missiles are "required" and which arms reductions would be "acceptable."

Astonishingly, most people regard this situation as unchangeable. They mistake a Cold War artifact for a physical constant of the nuclear age. They believe that by establishing parity between U.S. and Soviet nuclear forces the confrontation will be made stable.

Yet future alliance shifts among other nuclear powers could unhinge this parity overnight. While responsible officials now worry that a breakup of the Soviet Union might fracture Moscow's control over its nuclear arms and that many other nations are acquiring nuclear missiles, they do not seek to revise our strategy to take account of these threats.

One could never tell from the recent nuclear arms agreements that U.S.-Soviet relations have dramatically changed. The limitations on nuclear testing that were completed at the recent summit are no more restrictive than what had been agreed to 16 years ago.

And the new strategic arms accord, despite its welcome promise of deep reductions, would let both sides retain far more nuclear weapons on their missiles and bombers than they deployed 18 years ago, at the time of the first strategic arms accord. Had President George Bush and President Mikhail Gorbachev been able to begin with a clean slate, they would not have decided that each side needed some 10,000 nuclear weapons to aim at the other.

□

The time is ripe to prepare an alternative strategy for the second half-century of the nuclear age. At the same time, we need to live with the old strategy for a while, because of the obstinate longevity of strategic forces and the uncertain developments in the Soviet Union. The new strategic arms treaty could help in this transition, provided we begin to focus on the fundamental questions instead of becoming diverted by the hoary disputes about oversized Soviet missiles, undercounted Soviet bombers and Cold War notions of "stability."

As a first step, we need to realize how badly today's nuclear strategy and forces remain warped by our erstwhile fear of a Warsaw Pact onslaught. To deter Stalin's armies from marching into Western Europe, we designed our hair-triggered nuclear posture so it would threaten a prompt and all-out nuclear response. This design survived from one generation of weaponry to the next and came to afflict, like a harmful gene, successive generations of Soviet forces as well.

To this day, this legacy from the Cold War in Europe keeps Soviet and U.S. nuclear forces ceaselessly poised to launch a sudden apocalyptic attack. The multiple risks inherent in this contraption create a far greater peril of an apocalyptic nuclear war than the possibility of a premeditated "first strike," which our arms control technicians keep worrying about.

How to overcome this Stalinist gridlock? Mr. Gorbachev asserts that the abolition of nuclear weapons must be our long-term goal, and so did, at one time or another, every American president from Harry Truman to Ronald Reagan.

For the foreseeable future, however, abolition is not a practical idea, notwithstanding the recent U.S.-Soviet agreement to abolish chemical weapons, which are even harder to verify than are nuclear weapons.

Instead, we should seek to extend the 1987 ban on intermediate-range missiles to all intercontinental missile systems, impose restrictions on bombers to diminish fears of surprise attack, strengthen existing international links for verification and accident prevention, and allow the deployment of missile defenses. Missile defenses — more modest than some of the early Strategic Defense Initiative proposals — would provide insurance against cheating and against countries that retained nuclear missiles.

Yet missile defenses, a missile ban, further reductions in offensive arms — all these familiar ideas are only part of the solution. The essence of the alternative strategy is to enable America and the Soviet Union to overcome their nuclear confrontation, not to perpetuate it at lower levels.

In the next century, American-Russian relations need be no more antagonistic than they were in the 19th century. While a reformed nuclear relationship would, of course, not ensure such a benign development, continuing the present lethal confrontation would surely prevent it.

Worse yet, it would burden the world for decades to come with multiple risks of a catastrophic nuclear war.

The writer was undersecretary of defense during the Reagan administration. He contributed this comment to The Washington Post.

A U.S.-Japan Trade Deal Won't Be an Instant Cure

By Mark Michelson

TOKYO — One, maybe two cheers for the Structural Impediments Initiative and the results of the most recent trade negotiations between Japan and the United States. But no more than that.

This week's talks on SII, as it is known in the negotiating game, point to changes in Japan that could — if implemented — improve the business climate for both domestic and foreign companies.

Tokyo has pledged to reduce the period needed to open retail stores from 10 years to 18 months and to exempt three large cities from restrictive retailing regulations by 1993; to reform urban land policy; increase public-works spending; narrow price differentials between Japan and overseas, and crack down harder on monopoly business practices.

The trade deficit with Japan is unlikely to fall much below its current level soon. It may even become larger just in time for the midterm elections to Congress this fall.

The U.S. side has promised to try to cut the federal budget deficit, encourage savings, and upgrade education — without indicating just when and how these goals will be accomplished.

Companies and consumers stand to make gains. Revising retail laws could make it easier for foreign firms like Toys R Us that want to set up stores in Japan, and probably help simplify the distribution system for overseas suppliers to stores in Japan. This could lead to other improvements in Japan's notorious distribution system.

Price, land, and anti-monopoly reforms could eventually cut costs for consumers and make foreign-affiliated firms more competitive; new public works projects would bring sewage systems and transport facilities to deprived areas of the country.

And the apparent success of concurrent negotiations regarding complaints under the so-called Super 301 section of the 1988 U.S. Omnibus Trade Act should mean expanded business for companies providing goods and services related to supercomputers and satellites.

But despite these and other benefits, SII — the process and the results — have raised expectations unrealistically: The reforms won't make enough of a difference soon enough.

Some informal barriers, such as those preventing foreign firms from competing in many areas of private sector procurement, will remain in place. Moreover, most of the SII changes will take years to make an impact, if they are put into effect.

Revisions in the large store law, for example, require approval from many legislators tied closely to small business. The nature and timing of most of the other proposed changes are vague, leaving many foreign executives in Japan skeptical until it becomes clearer how the accord will be monitored and enforced.

These suspicions, while understandable, tend to discount the remarkable transformation that has occurred in Japan since 1986, when a prestigious commission under a former governor of the Bank of Japan, Haruo Maekawa, recommended a series of sweeping reforms.

The Maekawa report suggested the need for a strong yen, tax revisions, greater dependence on domestic demand, industrial restructuring stressing domestic-oriented production, more flexible fiscal and monetary policies, increased overseas investment and economic assistance and market-opening measures.

Within three years, these promises became reality, at least to some extent. Domestic demand has come to so dominate the Japanese economy that exports have actually made a negative contribution to overall growth in each of the last four years. From this vantage point, then, Tokyo's recent track record on reform doesn't look so dismal.

Yet, as a former U.S. trade representative, William Brock, warned several years ago and a former deputy minister for international trade and industry, Makoto Kuroda, repeated in March, even if the SII changes are fully implemented, the U.S. trade deficit with Japan is unlikely to fall much below its current level soon. It may even become larger just in time for the midterm elections to Congress this fall.

Part of the problem involves the structure of U.S.-Japan trade. Over a third of U.S. exports to Japan consist of raw materials and foods; in contrast, virtually all of Japan's sales to the United States are in higher value-added products like autos, advanced electronics and machinery.

The gap could widen even more as European and Asian competition limits the growth of U.S. manufactured exports to Japan, while Japanese producers move rapidly upscale and sell even more sophisticated, expensive goods to the United States.

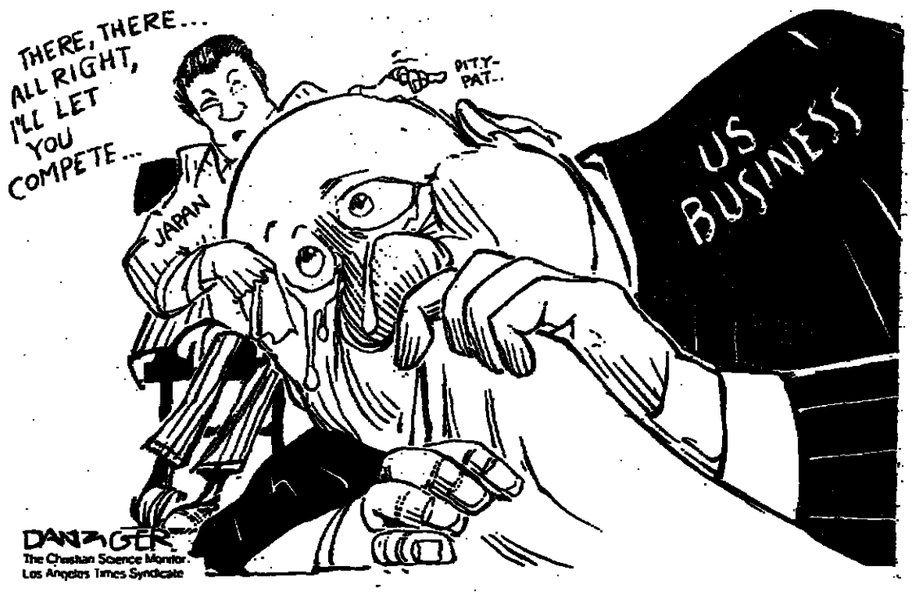
Even in the automotive sector, where Japanese investments in the United States produce cars and trucks for the domestic market, a drop in export volume may not translate into a fall in value terms: Japanese makers are sending America more luxury models.

This solid Japanese competitive position in key sectors is likely to strengthen during the 1990s. U.S. investment in plant and equipment will go up just under 5 percent this year, compared with an 11 percent rise in 1989; Japan has recorded double-digit hikes for each of the last three years and will do the same in 1990.

Productivity in Japan is growing 10 times faster than in the United States. Perhaps even more disturbing for non-Japanese firms have been reports that the Japanese caught and passed many of their North American and European rivals during the 1980s in technology related to such vital sectors as advanced electronics, new materials, biotechnology and robotics.

Some U.S. politicians and corporate executives probably will renew their call for some type of unmanageable "managed trade." This suggests it might be premature to celebrate SII. While the final report should provide more details on the promised reforms, it is unlikely to cool U.S.-Japan trade friction.

The writer is vice president of Business International Asia/Pacific Ltd. in Hong Kong. He contributed this to the International Herald Tribune.



Washington and Tokyo Must Manage Their Security Partnership

By Dov S. Zakheim

ARLINGTON, Virginia — The flap over the illegal transfer of "star wars"-related software to four Japanese companies, all of them tied into the Japanese aerospace sector, underscores the growing pressures on the long-standing U.S.-Japanese security relationship.

For 45 years, Washington has been happy to underwrite the primary defense needs of both countries while Tokyo has gone about its business of becoming an economic giant. But now, with the United States struggling with budget deficits and Japan burgeoning with trade surpluses, this arrangement is crumbling.

Unless the United States confirms in the strongest terms its commitment to maintaining a military presence in Asia, Japan — and its rapidly expanding military-industrial complex — will fill the power vacuum.

After years of prodding by the United States, the logic of Japanese military economics has become inexorable: the 1990-91 Japanese military budget, already the sixth largest in the world, is slated to increase by 6.1 percent, the highest rate in five years. This expansion in military spending is breeding an industrial appetite for the high technology that fuels research, development and sales.

The four Japanese companies have stated that they had no intention of using the software for military purposes, and deny any complicity in obtaining the software illegally.

The first contention is beside the point. The software can be used for military research, and it would be foolhardy for the purchasers — which include Mitsubishi Heavy Industries, Japan's largest military contractor, and Ishikawa-Harima, a missile manufacturer — to own such a valuable resource and not exploit it. Certainly, such behavior would be out of character for efficiency-conscious Japanese corporations.

The Japanese denial of complicity is perfectly valid on its face. Nevertheless, as anyone who has sought to export high-tech products can attest, potential recipients (other than rogue governments) will rarely commit funds until an export license has been obtained. In their eagerness to acquire the software in question, four highly sophisticated companies appear to have jettisoned the caution for which Japanese firms are noted.

The 'star wars' software incident goes to the heart of the security relationship, which needs to be disentangled from the trade issue.

What does all this mean for the U.S.-Japan relationship? In one respect, it is more grist for the Japan-bashers' mill. Those who seek to restrict Japanese imports, or to "punish" Japan for trade violations, will see in this case another Toshiba affair, in which U.S. technology-transfer rules were cynically violated.

But the "star wars" software incident more closely resembles the arrangements for technology-sharing in the U.S.-Japan joint venture to build the FSX fighter plane. As such, it goes to the heart of the security relationship, which needs to be disentangled from the trade issue.

Diminishing budget resources, and the collapse of the Soviet empire, are calling into question the permanence of the U.S. military presence in East Asia. At the same time, the allure of the international arms market, growing Japanese political and diplomatic assertiveness and the continuing Japanese military buildup are creating a momentum for military expansion that Japanese industry has no desire to resist. Ultimately, it may sweep up the government as well.

No one shows any enthusiasm for a revival of even a shadow of the militarism of the 1930s. Moreover, Japan has taken a more skeptical view of perestroika than any major Western powers. It continues to seek American support for its security.

Nevertheless, only Japan is in a position to fill any power vacuum that a drawdown of U.S. and Soviet forces might create. Japanese industry can therefore be viewed as responding to current military economic realities and anticipating political realities. In these circumstances, a punitive approach to Japan's military industry will be doomed to failure.

The United States must signal its resolve to maintain its military role in East Asia and in the defense of Japan. It must resist applying the lessons of European arms reductions to a region where alliance structures and local rivalries are radically different.

At the same time, Washington must facilitate cooperation, rather than brutal competition, between Japan's emerging military-industrial powerhouse and America's shrinking military-industrial base. Moreover, given the intimate ties between the Japanese government and its industrial giants, Washington could look to Tokyo for still greater scrutiny of commercial technology transactions.

Only in this way can both governments expect to curb the natural impulse of Japan's expanding military-oriented businesses and industries to overlook long-term national security consequences in favor of short-term economic and technology gains.

The writer is chief executive officer of SPC International, a high-technology consulting firm. He contributed this to The New York Times.

At Last, Bush Has Met the Challenge

By Hobart Rowen

WASHINGTON — With a clear statement that "both the size of the deficit problem and the need for a package that can be enacted" require "tax revenue increases," President George Bush has met one of the challenges testing his leadership.

To be sure, "tax revenue increases" is a fuzzy phrase. It begs the question of whether Mr. Bush will endorse a tax increase on personal or corporate income. And his new position may require the Democrats to agree, as an offset, a capital-gains tax reduction.

But it is a new position, with potential political risks for Mr. Bush and the Republican Party. In the face of his famous "read my lips — no new taxes" pledge, it wasn't easy for Mr. Bush to issue a statement that many in his own party will read as a withdrawal of a useful political commitment.

The president's words were almost desperately needed. They open up the possibility for restoration of the American economy.

Mr. Bush's decision was based on a hard-nosed assessment that the deficit problem had ballooned beyond expectations, not only because of the savings and loan fiasco, but because economic growth has stumbled. Taxable corporate profits are down, in part because of the growing dependence in recent years on junk-bond financing: All of that high interest flow is subtracted from businesses' tax payments.

To be sure, it remains to be seen what Mr. Bush has in mind. "Additional tax revenues" can mean many things. It isn't certain how far beyond his earlier commitment to consider $13 billion in revenue enhancements, including "user fees," Mr. Bush is willing to go.

If the president has opened the door to a major tax increase, the easy political interpretation will be that the Democrats, by persistently demanding that he take the lead, have "won" a major victory. But in that case, the Democrats will be out of excuses on the tax issue, and under pressure to come up with their own deficit-reduction proposals. These should include not only tax increases, but reforms in entitlement programs. Citizens must now demand statesmanship from Democratic leaders in Congress.

Like Mr. Bush, the Democrats have been waffling on the tax issue, even in the wake of the savings and loan crisis. That debacle has made plainer than ever that there is no way of solving the nation's financial mess without higher taxes.

The Washington Post.

100, 75 AND 50 YEARS AGO

1890: 'Mad Dog' Prince

PARIS — *La France* remarks of Prince Bismarck: — "Although brought up on Hegel, Kant and Schopenhauer, the Prince evidently lacks philosophy. We should have preferred to see him more calm and disdainful after his fall. He is no longer the Iron Chancellor, so pitiless for the vanquished, so impertinent towards his adversaries. Now he has moments of weakness." *La France* quotes Prince Bismarck's saying that he will not be a dumb dog, and suggests that "he would rather be a mad dog."

1915: A Separate Peace?

LONDON — The situation in Austria-Hungary is growing so desperate, according to advices from Vienna, that the aged Emperor Francis Joseph has demanded that Germany forward huge reinforcements to check the Italian invasion. The aged ruler threatens, unless Germany comes to the rescue, to institute negotiations for a separate peace. The Austrian War Loan is a failure. The men of money refuse to purchase the bonds and the business men and workers are tired of the war.

1940: Plans for Palestine

LONDON — The axis powers, if they defeat England, plan to turn Palestine over to the jurisdiction of the Vatican State and transport the Palestine Jewish population to Ethiopia, it was reported today [June 27]. Under the plan, the Pope will be able to care for the holy places in Palestine, while Italy will exercise the real sovereignty. Meanwhile, President Roosevelt issued tonight a proclamation giving sweeping powers to the Secretary of the Treasury to control completely through American port authorities all movements of foreign and American vessels in United States ports. The proclamation, issued under the World War espionage act of 1917, would allow the seizure of all foreign vessels.

— From the New York edition of the New York Herald Tribune.

OPINION

Patronage Has Well Served The Democratic Tradition

By George F. Will

WASHINGTON — Einstein preferred his violin to science. Mozart would rather have been a dancer than a composer. One wonders what the five members of the Supreme Court majority would rather be doing. Clearly their hearts, not to mention their minds, are not in constitutional law.

Last week, the court, now the second legislative branch of the federal government, continued its campaign to purify American democracy, this time by ridding it of a blemish (as the court sees it) traditional to democracy. The tradition is patronage. It is a practice as old as this republic, one favored by the Founders but, we now learn, incompatible with the constitution they wrote and ratified.

The court says patronage is impermissible except when party affiliation is an 'appropriate requirement.' Meaning? Nobody knows.

In 1980, Governor Jim Thompson of Illinois, a Republican, instituted a hiring freeze under which state officials were forbidden to hire, fill vacancies or create new positions without the governor's permission. Various aggrieved people sued, claiming that under the freeze the governor was running a patronage system. When granting exceptions to the freeze, the governor's agency emphasized party registration support.

Justice William Brennan, joined by Byron White, Thurgood Marshall, Harry Blackmun and John Paul Stevens, argues that the court is only making a minor extension to 1976 and 1980 rulings. Those rulings said that conditioning public employment on political affiliation unconstitutionally inhibits the exercise of fundamental rights in a way "tantamount to coercion."

Justice Antonin Scalia, dissenting, says: "The public official offered a bribe is not 'coerced' to violate the law, and the private citizen offered a patronage job is not 'coerced' to work for the party." Furthermore, Justice Scalia, joined by William Rehnquist, Sandra Day O'Connor and Anthony Kennedy, argues that patronage can conduce to good government.

Justice Scalia cites various arguments that patronage serves the public good. They include:

Patronage strengthens party discipline and combats political fragmentation, protecting elected government from small, cohesive interest groups.

Patronage thickens the ranks of party activists and allows them to rely more on people-intensive and less on money-intensive campaigning. By concentrating party cadres on practical rewards, patronage discourages ideological excesses and encourages moderate two-party systems. Patronage has often been a means for the political inclusion of previously excluded minorities.

Justice Scalia stresses that the court need not find these arguments persuasive; neither need it ignore the undeniable drawbacks of patronage systems, such as incompetence and corruption. The court should only see that balancing the good and bad facets of patronage systems is a political judgment best left to political institutions. Justice Scalia's contention is only that the court should acknowledge that a patronage system can be a reasonable political choice that the people's elected representatives are permitted to make.

Some disbursement of jobs on the basis of political affiliation must be constitutional. Otherwise, every president's cabinet would be unconstitutional. How deeply the patronage knife should cut is a question about which reasonable communities can differ. And not all answers will be reasonable. But "unreasonable" and "unconstitutional" are not interchangeable adjectives.

The court, intoxicated by its institutional arrogance and ideological abstractions, offers no deference toward the wisdom of American communities, expressed through the democratic process, as they adopt various mixes of patronage and merit systems. The court is unprincipled — it must be — when it asserts a constitutionally correct line between these two components of any government hiring system. No constitutional principle regarding the correct mix of patronage and merit systems can be wrung from the document.

Once the court rejects the constitutional relevance of political tradition, and once it also acknowledges, as it must, that some politically based employment is permissible, then the court, says Justice Scalia, "has left the realm of law and entered the domain of political science." But because politics is not a science, the court must legislate its preferences.

The court is both doctrinaire and imprecise. It says patronage is impermissible except when party affiliation is an "appropriate requirement." Meaning what? Nobody knows. The court will legislate on that in future cases.

Lower courts, struggling to implement the high court's previously expressed preferences, have held that it is constitutional to discharge on political grounds a regional director of a rural housing administration, but not a director of roads; the second-in-command of a water department, but not the vice president of a development bank. Such incoherence is the result of the court's capriciousness, which is unconstrained by constitutional principles.

The court is subverting democracy in the name of its ideal of democracy.

Washington Post Writers Group.

LETTERS TO THE EDITOR

No Factional Phenomenon

Regarding "For Arafat and the PLO, No More Time for Fudging" (Opinion, June 6) by Anthony Lewis:

Hebrew University professor Yaron Ezrachi, a Peace Now leader, should be grateful that the terrorist attack on Israel's coast fully revealed the nature of the Palestine Liberation Organization. Instead he laments: "It is as if the Palestinian factions have decided to play the role assigned to them by Yitzhak Shamir."

The clear failure of Yasser Arafat to denounce the attack and to do nothing about Mohammed Abbas, whose Palestine Liberation Front took responsibility for the attack, means the raid was not a PLO factional phenomenon.

A captured terrorist, Mohammad Youssef, told Israeli television and radio it took six months to prepare the raid. Libyan training included ship-to-shore weapons drills. The six speedboats were treated to minimize radar detection. Briefing material before the raid included video clips of Tel Aviv beach front hotels and residences to be shelled with 107-millimeter Katyusha rockets, 23-millimeter cannons and machine guns. The orders were: "Don't leave anyone alive. Kill them all — children, women, elderly people."

The scale and duration of the preparation must have meant that Mr. Arafat or those who report to him must have been aware of it and of its character.

Professor Ezrachi and Peace Now should accept reality.

SARAH GOLDEN.
Jerusalem.

The United States must break its relations with the PLO, a two-faced organism that sells well in the international media, but continually reneges on its promise to stop terrorist activities and, in the Arab media, boasts of being a totalitarian avenger. Failure to stop talks with the PLO would not only destroy the remaining shreds of U.S. credibility; it would also encourage terrorists.

DANIEL LUBETZKY.
Tokyo.

India and Kashmir

Without logistical and financial support from Pakistan, the Muslim militants in Kashmir could not operate. They have now progressed from AK-47 automatic rifles to rockets. Huge U.S. arms supplies sent to Pakistan, ostensibly to fight the Russians in Afghanistan, are being diverted to Kashmir for waging war against India.

India is a country of diverse social, ethnic and religious communities, living in harmony for centuries. More than 100 million Muslims are its contented citizens. It can accommodate another 6 million Kashmiris.

It is unrealistic to think that a secular country like India can be expected to cede an entire state because some fundamentalist elements want to break away in the name of religion. In the course of history many countries have fought to remain united.

SARAT SOOD.
Hamburg.

Cum Grano Salis

Regarding "This Cardinal Has Gone Into Politics" (Opinion, June 18):

While I share A. M. Rosenthal's opinion about Cardinal John O'Connor's tampering with the political system by condemning public figures, it doesn't worry me too much. Today, while Rome seems to be turning the clock back to pre-Vatican II times, Americans as well as Europeans are largely ignoring this. As an American Catholic, I basically have faith that most Americans will take the cardinal's meddling with a grain of salt.

DAVID A. FLATLEY.
Brussels.

Safer at Arm's Length

If the disposal of chemical weapons can be done in a safe manner, as U.S. officials claim, why are they doing it on the other side of the world and not in America? The Pacific already has experienced the honesty of the American military with promises that no harm would come to anyone during the testing of nuclear weapons on Bikini.

NEIL MONKHOUSE.
Aesch, Switzerland.

The Incompetence Crisis Comes Home to the Barrys

By Dave Barry

MIAMI — Recently, like many of you, I watched with breathless excitement as the Hubble Space Telescope, which cost more than a billion dollars and took more than 10 years to build, was finally, after many delays, launched into orbit, where it began beaming back breathtaking, detailed, full-color, never-seen-before images of the Dairy Queen in Kingman, Kansas.

This was yet another dramatic example, as if we needed more examples, of the worsening National Incompetence Crisis, which has gotten so bad that President Geroge Bush took time off from eliminating the pesky federal budget deficit to ask Vice President Dan Quayle to head a National Incompetence Commission, which recently issued a shocking report in which all the pages were stuck together by what appeared to be used Milk Duds.

MEANWHILE

Nobody can say what is causing the National Incompetence Crisis. All we know for sure is that it is centered directly over my house. I became aware of this recently when I wandered into our kitchen and found my wife, Beth, shrieking death threats into the telephone. Ordinarily Beth is not a death-threat kind of gal. The closest I have ever seen her come to violence was when she attempted to strike me for making a humorous remark while she was experiencing the Joy and Wonder of natural childbirth.

But she was very angry on the telephone. "I want it BACK," she was shrieking. "If I don't GET it back, I'm going to call my LAWYER. I'm going to call the POLICE. I'm going to call ORGANIZED CRIME. I'm . . . "

She was talking about our VCR. We got a VCR so we could record TV programs on the one day in four when our cable TV system — the franchise for which was awarded to politically connected members of the legume family — is actually working. One day, seconds after the warranty expired, our VCR broke, so we gave it to some men who claimed that they fixed things, but who in fact took it to a mountain hideout where they keep thousands of unrepaired appliances. Then they made popcorn and gathered around the answering machine to listen to recordings of my wife.

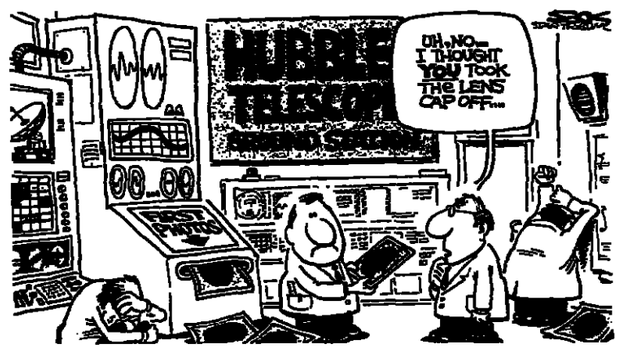
Finally, after nine months of this, the men returned our VCR by — I am not making this up — LEAVING IT ON OUR DOORSTEP. We came home, and there, under the doormat, was this pathetic whimpering electronic orphan. It still doesn't work. You're thinking: "Why did you wait nine months? Why didn't you do what the Better Business Bureau recommends in such cases, namely drive over and shoot the men with machine guns?"

BECAUSE MY DAMNED CAR DOESN'T WORK, THAT'S WHY. Excuse me for using loud capital letters, but I get very angry about this, because I constantly see advertisements triumphantly announcing that my car has been named something like Rugged Macho Stud Hombre Four-by-Four of the Century by an outfit with a name like Magazine Writers Who Do Not Personally Own This Type of Car but Get to Drive New Ones for Free.

My car needs to be rugged because it takes a daily pounding from the tow truck dragging it back to The Mechanic Who Never Actually Fixes the Problem. He has taken to actually making my car WORSE. "PLEASE DON'T SEND ME BACK TO THAT MAN," I can almost hear my car screaming as the tow truck drags it away, but I just laugh, because at this point I frankly hate my car, which is why I wasn't even upset recently when the mechanic, apparently making sure that he had not accidentally fixed the problem, took the car for a test drive and HAD AN ACCIDENT. Really. I didn't get the details. It wouldn't surprise me to learn that he was struck by the Hubble Space Telescope. I don't want to know.

I'm not going to spend any more time complaining about the National Incompetence Crisis. I'm going to concentrate on doing my job, and doing it right, because here in the newspaper industry we pride ourselves on . . .

Knight-Ridder Newspapers.



GENERAL NEWS

South African Rightists Warn de Klerk

By David B. Ottaway
Washington Post Service

PRETORIA — President Frederik W. de Klerk has been warned by nine white rightist leaders that if he does not hold elections to show he has white support for negotiations with the African National Congress, they will seek to stop him by "other means."

"If the government proceeds on this course and does not call an early election, then of course the government is closing the constitutional doors," said Jaap Marais, leader of the *Herstigte Nasionale Party*, or Reformed National Party. "Obviously, people will be considering how to continue the fight with other means."

Mr. de Klerk, who is facing mounting rightist opposition, met with four Afrikaner rightist groups not represented in Parliament and actively involved in organizing both an armed and political opposition to his government.

Among the delegates was Colonel Servaas de Wet, a former South African police official who now heads the military wing known as the commandos of the *Afrikaanse Weerstandsbeweging*, the Afrikaner Resistance Movement.

The problem the government faces in dealing with the white rightist groups has been underscored by its refusal to crack down on the spread of vigilante commando and armed "neighborhood watch" groups that have sprung up in white areas across South Africa.

Mr. Marais said the delegation had asked to meet with Mr. de Klerk to convey "the very deep feelings of unrest and insecurity" among Afrikaners over his policies and negotiations with the African National Congress and the Communist Party.

The growing militancy of extreme rightist groups was underlined last weekend by bomb explosions at two branch offices of the ruling National Party in the Johannesburg region. Although no one has taken responsibility for the sabotage, the police said the use of commercial explosives suggested it was the work of white groups.

Mr. Marais said that Mr. de Klerk's party had never won a mandate in the white elections in September to undertake such policies and that rightist groups like his were vehemently opposed to the advent of "communist rule."

"We are convinced that nothing whatsoever will appease the British and American governments unless there is an ANC government in South Africa," Mr. Marais said.

He said the only point of discussion where there was "a semblance of agreement" between Mr. de Klerk and his delegation was on the issue of seeking protection for "the Afrikaner nation" in negotiations with black nationalist groups.

"He said he was as much concerned about the Afrikaner nation as we were," Mr. Marais said, adding that Mr. de Klerk still had not given any indication how he intended to protect their interests.

Mr. de Wet said there were now 10 different Afrikaner groups organizing armed commandos. He said he had assured Mr. de Klerk that they were not forming a separate secret army in opposition to the South African Defense Force.

Axel Schulz-Eppen/The Associated Press

Liberian refugees who have fled civil war welcoming a Red Cross shipment of frozen fish just across the border in Ivory Coast.

Liberian Troops Attack Anti-Doe Protesters

Agence France-Presse

MONROVIA, Liberia — Soldiers fired in the air and beat marchers with rifle butts on Wednesday to disperse thousands of people demanding that President Samuel K. Doe resign to end a six-month civil war.

Unconfirmed reports said troops shot at the demonstrators. There was no immediate word on casualties.

Reporters who sought shelter in a shantytown near the army barracks where the shooting started heard numerous cease-fire commands, but they were followed by bursts of M-16 riflefire and screams from protesters and other civilians trying to flee.

Some witnesses said they saw several demonstrators fall after the troops began firing. Some protesters apparently fell into open drains during a stampede. Other witnesses said they saw soldiers beating marchers at the front of the procession with rifle butts while dispersing the protest.

The march, the second in two days, was organized by the Citizens' Committee for Democracy and Peace, which includes members of student groups, trade unions and civic organizations.

Thousands marched down Monrovia's main avenue on Tuesday, demanding Mr. Doe's resignation to end Liberia's civil war, but armed soldiers barred them from going near the presidential palace.

The march on Tuesday, headed by Christian and Muslim leaders, was the first demonstration in Monrovia calling for the resignation of Mr. Doe.

The president has refused rebel demands that he leave office immediately, but he has agreed not to seek re-election next year.

The rebels, led by Charles Taylor, a former Doe aide, have reached within 15 miles (25 kilometers) of the capital. They refused to return to peace talks scheduled Monday in Freetown, the capital of neighboring Sierra Leone.

20 Die in Zambia After Riots Over Food Price Rise

Reuters

LUSAKA, Zambia — The death toll from the food riots here this week rose to 20 overnight, hospital officials said Wednesday, but a curfew in place since the night before in the Zambian capital put a brake on the unrest.

The police said about 500 people had been arrested.

The riots, the most serious threat to President Kenneth Kannda since he assumed power in 1964, started Monday to protest a doubling in price of Zambia's staple food, cornmeal.

Zambians returning from the northern mining zone, the Copperbelt, a center of unrest during the 1986 riots, said all was quiet despite simmering discontent over the cornmeal price rise.

VIEWPOINT

The Commerzbank report on German business and finance

A sober look at West Germany's public-sector deficit

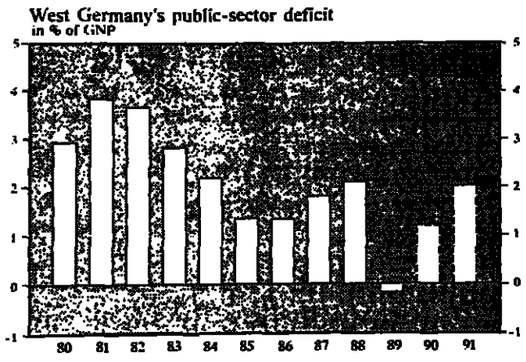
The sharp rise in German bond yields reflects concerns that German unity will mean not only higher inflation but also a larger budget deficit. Are concerns about the latter justified? In order to answer this question, we must analyze a number of interrelated factors. Some can be influenced by political decisions; others are hard to judge at present.

The first factor involves the rate of economic growth and price trends, which determine the level of tax receipts. Here the situation in 1991 should be favorable. While the public-sector deficit – including that of the social security system – will rise this year by some DM 25 to 30 billion, mainly due to the recent tax reform, it would have declined sharply next year if no extra spending had been needed for East Germany. Tax revenues will increase again substantially because there will be no more impact from the tax cuts and the economy will continue to expand strongly. In fact, the added input of the East German economy should cause nominal GNP to rise by an extra 1½ to 2 percentage points.

Assessing the costs

The cost to West Germany of merging East Germany's economy with its own is the second key issue. Any estimates here would be purely conjectural, as it is hard to predict how East Germany will fare after economic and monetary union. Moreover, a number of important political decisions have yet to be taken in Bonn and East Berlin. However, it is clear that costs will be incurred through the introduction of the monetary union itself, the creation of a social security system along West German lines, improvements to the country's infrastructure and environmental measures – and, perhaps, temporary financial aid to East German firms to ease the process of adjustment.

West Germany's public-sector deficit
in % of GNP



The financial burden will probably be heaviest during the second half of 1990 and in 1991. As regards social security, the bulk of outlays will be needed to raise old-age pensions from their current low levels and also to shore up the unemployment insurance scheme. Although the precise amount required here will depend on the level of unemployment, a total of about DM 20 billion should be needed for social security in general, some of which can be financed by East Germans' contributions. How quickly the country's infrastructure should be modernized and its economy made more "environmentally friendly" is a matter for the politicians to decide. But the scale on which private investors are attracted will be determined in large part by the pace of such modernization efforts. Initially, annual outlays in this area could amount to DM 10 to 20 billion.

A closely related point is the extent to which East Germany itself can shoulder the burden of restructuring its economy. Its most important contribution will certainly be to create the legal and other prerequisites for large-scale private investment and make it possible to tap the country's entrepreneurial potential. In financial terms, it will initially contribute little, as its tax and social insurance systems, including their administrative procedures, must be completely overhauled. In 1991, East Germany may have a budget deficit of between DM 40 and 60 billion, depending on the scale of West German assistance.

Finally, West German decisions on spending and revenues must also be taken into account. The Government has repeatedly stated that tax increases are neither necessary nor planned: as indicated above, stronger economic growth should boost revenues, and outlays of some DM 30 billion per year, which are a direct consequence of the division of Germany, could be eliminated in the medium term. Moreover, spending could be cut in other areas as well.

All in all, the general budget deficit should rise to 1.3% of GNP this year and to about 2% in 1991 – hardly a high figure either by international standards or for West Germany itself, particularly in view of its substantial savings ratio. It would most certainly not warrant bond-market yields of 9%.

COMMERZBANK
German knowhow in global finance

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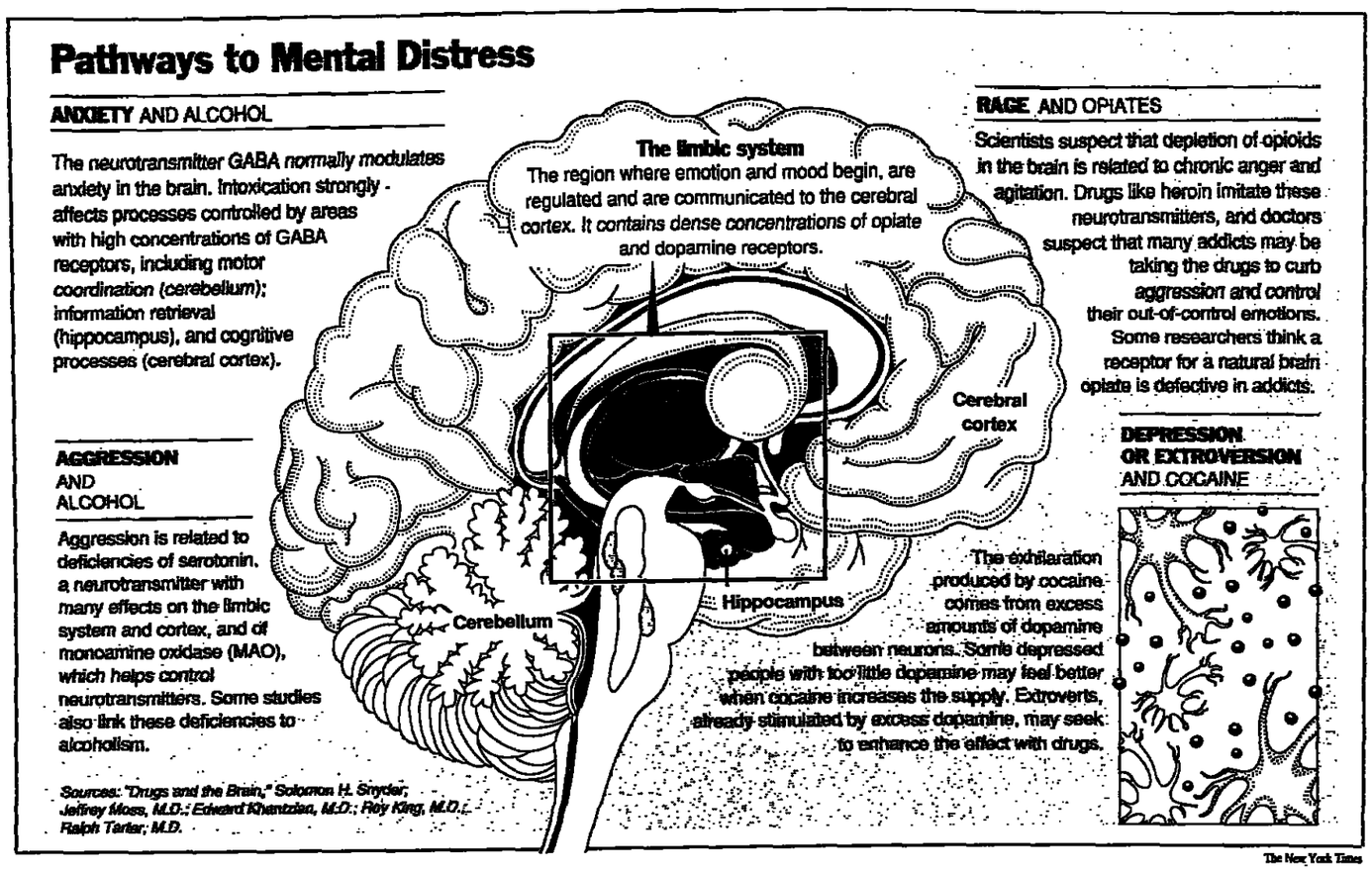
HEALTH / SCIENCE



The New York Times

From Brain Imbalances to Addiction

By Daniel Goleman
New York Times Service

A RADICALLY new approach to fighting drug abuse is emerging from discoveries of brain irregularities that make certain people much quicker to become addicted than others, and much harder to cure.

For several years, scientists have suspected that at least some drug addicts suffer imbalances in brain chemistry that make them vulnerable to depression, anxiety or intense restlessness.

For such people, addiction becomes a kind of self-medication in which drugs correct the chemical imbalance and bring a sort of relief.

Now researchers are beginning to identify the particular imbalances associated with addictions to particular drugs like cocaine, heroin or alcohol.

Because scientists believe many of these imbalances are inherited, they are seeking to identify genetic markers and other evidence, such as behavioral signs, that indicate a person is vulnerable.

Eventually, scientists say, this research will result in an entirely new strategy for fighting drug addiction: early identification of those most prone to a specific addiction and specific treatments to correct the chemical imbalances implicated.

The new line of research is generating rising enthusiasm among U.S. health officials.

The Alcohol, Drug Abuse and Mental Health Administration increased its support for studies on the genetic and biological basis of alcoholism alone to $53.5 million in the fiscal year 1991, up from $41.7 million in 1989.

"We already can breed lab animals with these irregularities who selectively crave opiates or stimulants," said Dr. Frederick K. Goodwin, administrator of the agency. "There's a direct analog to humans."

No one can yet say precisely what portion of addicts have the biological patterns. Dr. Goodwin estimated that a third to half of those addicted to a given drug may have genetic susceptibilities to it.

The biological approach took a big step forward in April, when researchers reported the identification of a specific gene that may play a key role in some forms of alcoholism, as well as in other addictions.

Of the alcoholics they studied, 77 percent had the gene. The discovery, announced by researchers at the University of Texas and the University of California at Los Angeles, is for a gene linked to the receptors for dopamine, a brain chemical involved in the sensation of pleasure.

Such discoveries, scientists say, herald biological markers that may one day make possible early identification of those most at risk of becoming addicted, allowing more effective prevention or treatment.

"My guiding hypothesis is that there are specific neurotransmitter irregularities for each addiction," said Dr. Kenneth Blum, director of the division of addictive diseases at the University of Texas Health Science Center in San Antonio, one of those who discovered the gene involved in alcoholism.

Some conditions that lead to addiction, like depression, can already be treated with medications. But some substances used to treat addicts, like methadone, are themselves addictive.

Scientists are seeking to tailor new drugs that will correct the imbalances without causing other addictions.

HOWEVER, many social scientists criticize the biological research, saying it is wrong to focus only on biology and ignore the social forces at play, especially among the urban poor.

"I object to seeing the vulnerability in the person rather than in their poverty," said Robert Jessor, a sociologist at the University of Colorado.

The greatest risk of drug abuse, he points out, is among children who come from impoverished, single-parent families in drug-ridden neighborhoods, with no strong counterbalance from church or school.

Other objections are legal and ethical. "I'd be very concerned about the issue of consent," said Leonard Rubenstein, director of the Mental Health Law Project in Washington, an advocacy group for the mentally ill. "Even if the scientific evidence turns out to be strong, people have the right to refuse being tested or given medications."

He said he also worried that people would be denied insurance, rejected for employment or otherwise stigmatized. "What would the social cost be if you were identified as a potential alcoholic or drug abuser in childhood?" he asked.

Some backers of the new approach acknowledge these problems but say that, given the huge social costs of addiction, the benefits outweigh the risks.

They said biological vulnerabilities may help untangle the puzzle of why some people can experiment with powerful drugs like cocaine and never become addicted, while others become addicts almost overnight.

"For people who are biologically predisposed, the first drink or dose of the drug is immensely reinforcing, in a way others just don't experience it," said Ralph Tarter, a psychologist at the Western Psychiatric Institute and Clinic in Pittsburgh. "Many recovering drug abusers tell me, 'The moment I took my first drug, I felt normal for the first time.' It stabilizes them physiologically, at least in the short term."

Scientists still express some uncertainty on the specific biological details of these vulnerabilities. But from dozens of studies, prototypes are emerging of the brain chemical imbalance, temperament and life history that typifies those drawn to particular drugs.

Age of 'Smart Materials'

Scientists Seek to Put Life Into Inanimate Objects

By Ivan Amato

IMAGINE bridges that change colors if they weaken, or flapless airplane wings that reconfigure themselves — continuously and automatically — to accommodate varying flying conditions.

How about synthetic, self-repairing skin for robotic fingers that sense textures, pressures and temperatures and even appear bruised when damaged? Or chameleon camouflage coatings that shift their hues and patterns to melt in with changing surroundings? How about a toy rubber duck that transforms itself into another animal if the bath water is too hot?

That is, imagine human-made materials that have some properties of living things — notably the ability to sense changes in themselves and their surroundings and then respond appropriately. At present, such structures remain largely on the wish list. But a growing community of researchers is determined to make them real.

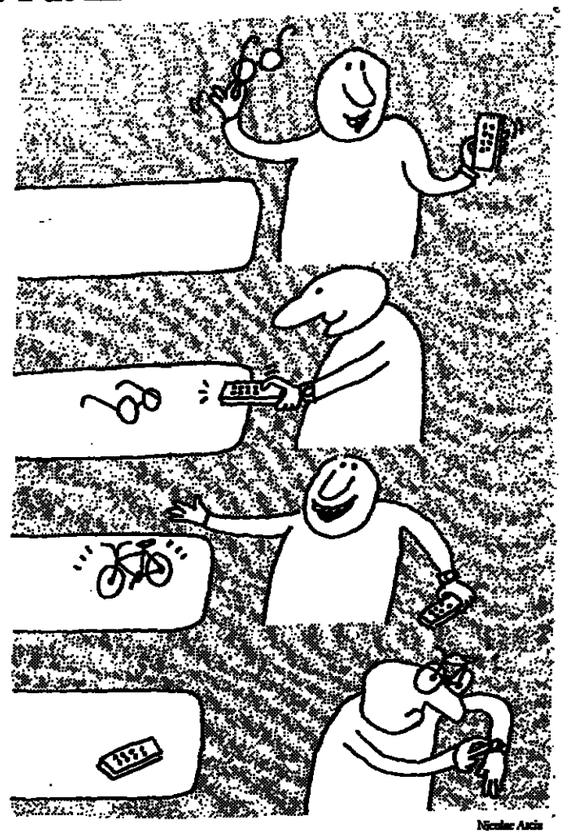
Take the mechanical engineer Craig A. Rogers of Virginia Polytechnic Institute and State University (VPI) in Blacksburg. Using sensitive and responsive materials, he and his colleagues are on their way to creating inanimate objects with lifelike qualities — what Dr. Rogers calls "a higher form of materials systems and structures."

"The crux of this whole concept is to mimic biological organisms," says Dr. Rogers, director of VPI's Smart Materials and Structures Laboratory. Despite some precocious breakthroughs the field is so new that it still goes by a variety of names, including "smart materials," "adaptive structures" and "intelligent systems."

PERHAPS the term that ultimately catches on will come from the title of the newly launched quarterly devoted to the field: Journal of Intelligent Material Systems and Structures. Members of this multidisciplinary field use both conventional and high-tech materials in assemblies that sense internal and environmental conditions and, when necessary, self-adjust to changes in those conditions. Already researchers are developing:

- Space structures that will start out in a compact, easy-to-shuttle form, unfold into versatile space cranes once in orbit, and have the ability to reconfigure their geometries to serve later as antennae or platforms for telescopes and other instruments.
- Stealthy submarine skins that soak up sonar signals by sensing sound waves and then generate precise reflection-canceling counter-vibrations.
- Helicopter rotors that redistribute stresses on their blades in response to changes in temperature, moisture, wind gusts or even battlefield damage.
- Vibration- and noise-damping components for silencing loud factory equipment, airplane cabins and other unquiet environments.

Smart structures combine three types of components whose characteristics are analogous to biological functions. Structural materials such as aluminum, ceramics, plastics or lightweight composites form the framework or skeleton. Materials tailor-made to sense and monitor changes in temperature, pressure, acidity and other chemical and physical conditions take on a role resembling a sensory nervous system. And components called actuators expand, contract, emit light, secrete chemicals or in some other way serve as the structures' motor or response systems.



Nicolas Arcas

Researchers have begun embedding sensors or actuators within otherwise ordinary slabs of metal or composite materials — whose sole former purpose was to sit there in a bridge, building or vehicle without breaking apart — to create such things as "smart beams" that are not nearly as stupid or passive as they look.

These designers hope to boost the beams' intelligence quotients by feeding signals from sensors into microprocessors, which would interpret them and relay instructions to embedded actuators.

One way to do this takes advantage of a property called the piezoelectric effect. Some materials — including quartz, certain polymers and even human skin — generate an electric voltage when pressure is applied to them; conversely, they expand or contract when exposed to an electric field.

Researchers hope to develop materials that learn how to respond and adapt to conditions that change on time scales ranging from fractions of seconds to years.

"You could imagine making an aircraft or some sort of vehicle that reconfigures itself in response to the type of loading it might get," suggests Theodore G. Duclos of the Lord Corp. in Cary, North Carolina, an international technology-development firm.

Mr. Duclos works on related projects that include so-called electrotheological (ER) fluids. These substances change viscosity in the presence of electric fields; metamorphosing from free-flowing liquids into pseudo-solids depending on the strength of the electric field. As a result, they offer designers a kind of "dial-in" rigidity.

A materials scientist, Robert E. Newnham, and his colleagues at Pennsylvania State University in University Park are making the first generation of smart ceramics.

"We are developing a family of electroceramic components that sense pressure or chemical changes in the environment and then make a motion, change color or exude a chemical," Dr. Newnham says. "Smart ceramics are like the human body in the sense that our eyes and our ears sense some change in our environment, and then we do something with our legs or our arms to respond."

Dr. Rogers cautions that terms such as "intelligent materials" tend to inspire unrealistic near-term expectations and fascination with novelty items. (For example, "smart" golf clubs with variable stiffness.)

STILL, plenty is on the way. According to one informed estimate, U.S. universities, aerospace and defense contractors and government agencies such as NASA will spend tens of millions of dollars this year alone on research into smart materials and structures.

Nonetheless, many scientists worry that the Japanese may dominate the cutting edge of the new field. In the United States, investigations into intelligent materials and structures focus primarily on assembling smart systems using existing materials. But Japanese researchers are looking toward brand-new materials.

No matter who capitalizes on smart materials and structures, the world is in for a change, predicts Mukesh V. Gandhi, a materials researcher of Michigan State University in East Lansing. As the technological innovations reach industries ranging from aerospace engineering to medicine to building construction to toy-making, he says, "all aspects of our lives will be significantly touched."

Ivan Amato is a staff writer at Science News, from which this article was adapted for The Washington Post.

Country/Currency		12 months + 52 ISSUES	ONE YEAR + 26 BONUS ISSUES	6 months + 26 ISSUES
Austria	A.Sch.	5,100	2,550	2,800
—hand delivery Vienna	A.Sch.	5,400	2,700	3,000
Belgium	B.Fr.	11,000	7,200	6,000
Denmark	D.Kr.	3,100	1,550	1,700
Finland	F.M.	2,000	1,000	1,100
France	F.F.	1,600	1,300	880
Germany (mail)	D.M.	600	300	330
—*hand delivery	D.M.	758	358	389
Great Britain	£	150	105	82
Greece (mail)	Dr.	33,000	28,000	18,000
—hand delivery Athens	Dr.	41,000	30,000	23,000
Ireland	IR£	155	110	85
Italy	Lire	430,000	280,000	231,000
Luxembourg	L.Fr.	11,000	7,200	6,000
Netherlands	Fl.	600	402	340
Norway (airmail)	N.Kr.	2,250	1,350	1,200
—**hand delivery	N.Kr.	2,700	1,940	1,480
Portugal	Esc.	31,000	20,000	17,000
Spain (mail)	Ptas.	35,000	25,000	19,200
—***hand delivery Barcelona, Bilbao, Seville	Ptas.	38,000	27,000	20,900
—***hand delivery Madrid	Ptas.	51,480	36,000	25,740
Sweden (airmail)	S.Kr.	2,200	1,400	1,210
—**hand delivery	S.Kr.	2,800	1,940	1,540
Switzerland	S.Fr.	500	345	275
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Rest of Africa, Gulf States, Asia	$	650		355
Central/Latin America	$	600		330

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IN BRIEF

Code-Cracking Feat Seen As Not a Serious Challenge

WASHINGTON (WP) — When two mathematicians announced last week that they had cracked a 155-digit number that could be used to ferry top-secret coded messages over telephone lines, many diplomats and others who use cryptographic systems probably felt a pang of dread. Such systems rely on mathematical processing of very large numbers to make it hard for eavesdroppers to tune in.

But many experts, startled by the feat of Arjen Lenstra of Bellcore and Mark Manasse of Digital Equipment Corp., think the pair's technique may have worked with the number they chose because it is a special, well-known "rarefied" number, called "the ninth Fermat" after the 17th-century French lawyer and mathematician Pierre Fermat, who put it together. These experts say the technique might not work with other jumbo numbers.

"It's an absolutely ridiculous assertion" to say the pair's accomplishment threatens advanced coding techniques, said Jim Bizdos, president of California-based RSA Security Corp. He challenged Lenstra and Manasse to tackle a number of his choosing. "I would be happy to discuss a large bet if these two gentlemen are interested," he said.

FDA Approves Heart Drug Developed in Soviet Union

WASHINGTON (NYT) — The Food and Drug Administration has approved a drug developed in the Soviet Union to treat potentially fatal irregular heart rhythms. Experts say the medicine is likely to become a primary treatment because of its low rate of adverse effects.

Du Pont Co. of Wilmington, Delaware, which will market the drug worldwide under the name Ethmozine, said the medicine was the first licensed to a U.S. company by the Soviets.

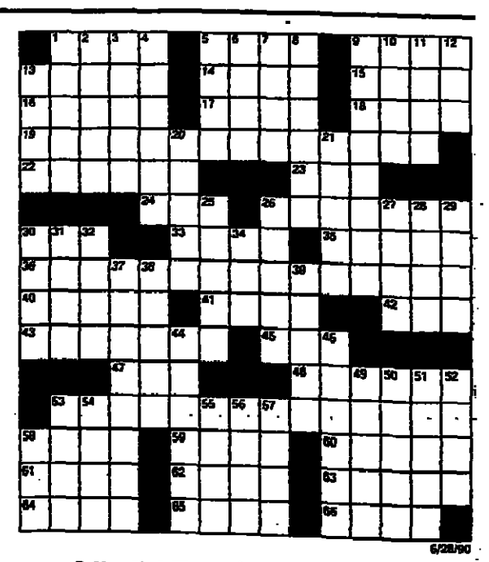
The drug, discovered in 1964 and widely used in the Soviet Union, was approved by the FDA last week. Du Pont said that Ethmozine should be available for wide use in September and that the company would market the drug throughout the world except in the Soviet Union and countries that are its economic partners. The drug, which Du Pont said is expensive to make, should cost patients $2 to $4 daily, a price similar to other drugs in its class.

ACROSS
1 Holy Rollers, e.g.
5 "A Man for All Seasons" playwright
9 Cheap or top chaser
13 —— Bay, Calif. resort
14 Sacred Buddhist mountain
15 Circuit
16 "—— Me," 1931 song
17 Lessee's payment
18 Auto pioneer
19 Tennis champ-admiral
22 "My —— Eileen"
23 Western Hemisphere gp.
24 Cold cubes in Köln
26 Manet and Monet
30 Canzone
33 Quayle and Rather
35 Domical domicile
36 Athlete-matriarch
40 Brazilian state
41 Appear
42 Hospital info
43 *Blues singer* Billie
45 Ike's initials
47 She, in Stuttgart
48 Freedom of access
53 Singer-singing actor
58 Angle of a branch
59 Facility
60 Debate
61 Ready for anything
62 Jewish month
63 Merchandise
64 City in Iowa
65 Lacking in moisture
66 French infinitive

DOWN
1 *Conductor Sir* Georg ——
2 Perry's creator et al.
3 Small British farm
4 Butterscotch
5 Former tennis star
6 Hebrew measure
7 Chanteuse Horne
8 —— tat
9 Octagonal warning
10 *A daughter of* Eurytus
11 Kind of ranch
12 Bitter vetch
13 Concentrate
20 Rainbow: Comb. form
21 Evening-gown material
25 Pert
26 Wanted an answer
27 Pung
28 Brouhaha
29 Oil-rich bean
30 Brilliantly colored fish
31 Submission to a record co.
32 Inclusive words
34 Society-notice word
37 New Testament books
38 Medium for Winchell
39 German port
44 Traveling Trojan
46 Infuriate
49 Fortuneteller's card
50 Hardship
51 Chopin work
52 Vous ——
53 Prof's concoction
54 Daiquiri juice
55 Tire
56 To dare: Sp.
57 On this earth
58 —— Khan

Solution to Previous Puzzle

Z	O	N	E		G	E	M	O	F		S	W	A	T
E	D	E	R		L	I	A	N	A		H	I	R	E
B	E	E	R	B	A	R	R	E	L		O	N	A	N
R	O	D		A	C	E	D		L	E	V	E	L	S
A	N	S	A	T	E		I	N	S	T	E	P		
		T	O	S	S		E	A	R	D	R	U	M	
B	A	R	O	N		T	I	T	L	E		E	P	I
A	L	U	M		T	I	T	H	E		O	S	A	R
N	O	M		V	A	L	S	E		P	U	S	S	Y
G	U	M	B	A	L	L		R	E	L	S			
		A	I	S	L	E	S		R	E	T	A	P	E
R	E	G	R	E	T		T	O	R	I		P	A	X
A	R	I	O		A	L	E	X	A	N	D	R	I	A
M	I	N	I		L	I	V	E	N		C	I	N	C
I	N	G	E		E	V	E	N	T		I	L	E	T



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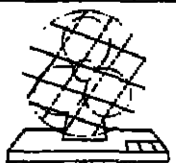
FOR MOZART FANS

International Herald Tribune.
BUSINESS / FINANCE
THURSDAY, JUNE 28, 1990


FOR ELECTRIC FANS
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TOSHIBA

MEDIA MARKETS

Saatchi's Chief Reflects On New York Rebuilding

By Kim Foltz
New York Times Service

NEW YORK — After a year as president and chief operating officer of Saatchi & Saatchi Advertising in New York, Michael Keeshan says the agency still has a long way to go, although he is pleased with some of his changes. On the negative side, Mr. Keeshan said it has not been a banner year in terms of winning new business, but, he added, "there haven't been many big opportunities."

On the plus side, Mr. Keeshan said the agency has made strides in improving its creative reputation. Within the industry, Saatchi's New York office had been viewed as one that created lackluster but effective ads for package-goods companies like General Mills Inc., Johnson & Johnson and Procter & Gamble Co.

"The agency could always be better," he said. "It has been a year of pluses and minuses."

> 'It has been a year of pluses and minuses.'

Saatchi, which has about $1.7 billion in billings in New York, won only two small accounts in the past year — the $5 million Sterling Optical account and the $10 million Mexico tourism account, which it lost to Bozell and then recaptured in April.

Mr. Keeshan has stocked the creative department with some fresh talent, and he said the agency had already seen some promising results. "We've been winning more awards, and our clients have been funneling new business our way," he said. "I think they are telling us we're on the right track."

Industry analysts agreed that the agency was doing well even though it had not won any big accounts. "What counts is the fact that the agency hasn't lost any business," said Alan J. Gottesman, an analyst for Paine Webber Inc.

The biggest challenge, according to Mr. Keeshan, has been completing the merger of Compton Advertising and Dancer Fitzgerald Sample, which were combined three years ago to form Saatchi's New York office.

"When the companies were merged," he said, "people took refuge by identifying themselves as part of either Compton or DFS. But where people came from wasn't important. We have had to redefine who we are."

THE PROBLEM was compounded, Mr. Keeshan said, by press coverage of the financial trouble of Saatchi & Saatchi Co., the British parent.

The New York agency created a special operating committee to make substantial changes. It is composed of 45 middle-level managers representing every department. "People at the agency told us they wanted to get more involved in the management of the business," Mr. Keeshan said. "They wanted more control of their destiny."

Members of the committee, which meets every two weeks, spent the first couple of sessions venting emotions about the frustrations that had arisen from the merger. "We helped people to learn to work together," said Paula Forman, chairman of the committee and an executive vice president at Saatchi. "We became the glue of the agency."

Analysts gave the agency good marks for the steps it has taken to help people adjust to both the merger and the agency's move to an isolated site in downtown Manhattan. "No one important has left," Mr. Gottesman said. "That's a good sign."

The committee's first change was to streamline the creative process, cutting down the number of levels of review so that innovative ideas would have a better chance of survival.

One discovery was that the agency was working on more than 40 pro-bono accounts for charitable organizations and causes. "It had become like poison ivy," Mrs. Forman said. The committee reduced the number to a maximum of 12 accounts.

"We have to exalt in the talent of the agency," Mr. Keeshan said. "We used to coddle our employees, but now it's more important to nurture them. We have to give people the emotional support they need to take risks. That's where our power will come from in the future."

CURRENCY RATES

Cross Rates

June 27

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.874	3.2675	1.126	0.3354	0.1536 *	—	5.483 *	1.3224	1.2155 *	1.5975	1.832 *
Brussels	34.78	59.61	20.538	6.1185	2.8024 *	18.24	—	24.302	0.2216	29.175	0.334 *
Frankfurt	1.6636	2.90	—	0.298	0.1365 *	0.8881	4.871 *	1.1885	1.079 *	1.4184	1.625 *
London (a)	1.743	—	2.9073	9.724	2,223.58	3.2618	59.515	2.4535	269.01	2.039	178.09
Madrid	102.297	178.38	61.487	18.322	8.387 *	54.62	2.9954	72.745	66.35 *	87.267	—
Milan	1,219.30	2,128.00	733.02	218.49	—	651.12	35.712	867.50	7.986	1,040.95	11.924
New York (b)	—	1.742 a	1.665	5.595	1,223.00	1.8748	34.281	1.41	154.58	1.1696	102.25
Paris	5.5855	9.7415	3.3568	—	0.458 *	2.9808	0.1635	3.9717	3.6205 *	4.767	5.4593 *
Tokyo	154.20	268.49	92.78	27.63	0.1267	82.36	4.5233	110.06	—	131.70	1.5091
Toronto	1.169	2.0382	0.7027	0.2092	0.957 *	0.6242	3.422 *	0.8294	0.757 *	—	1.145 *
Zurich	1.484	2.4491	0.845	0.2515	0.1152 *	0.7588	4.1281 *	—	0.9099 *	1.1986	1.3719 *
1 ECU	1.2398	0.7111	2.0624	6.9238	1,511.95	2.3226	42.3521	1.7432	191.177	1.4524	126.845
1 SDR	1.3228	0.7592	2.2023	7.3843	1,613.96	2.4809	45.2409	1.8607	204.202	1.5454	N.A.

*Closings in London and Zurich, fixings in other centers. New York and Toronto rates at 3 p.m. a: To buy one pound; b: To buy one dollar; *: Units of 100; N.Q.: not quoted; N.A.: not available.*

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	5330.2	Greek drac.	162.60	Mex. peso	2849.00	S. Afr. rand	2.6585
Austral. $	1.2698	Hong Kong $	7.788	N. Zealand $	1.7007	Soviet ruble*	0.5976
Austr. schil.	11.81	Indian rupee	17.452	Norw. krone	6.405	Swed. krona	6.03
Brazil cruz.	59.80	Indo. rupiah	1845.82	Phil. peso	22.81	Taiwan $	27.10
Chinese yuan*	4.72	Irish £	0.6207	Port. escudo	146.20	Thai baht	25.73
Danish krone	6.329	Israeli shek.	2.01	Saudi riyal	3.7496	Turkish lira	2615.00
Egypt. pound	2.7034	Kuwaiti dinar	0.2923	Sing. $	1.8415	UAE dirham	3.6717
Fin. markka	3.913	Malay. ring.	2.7103	S. Kor. won	716.30	Venez. boliv.	46.00

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.7333	1.7241	1.7162	Canadian dollar	1.1767	1.1816	1.1866
Japanese yen	154.12	154.00	153.90	Swiss franc	1.4045	1.4039	1.4034
Deutsche mark	1.6629	1.6626	1.6626				

Sources: Indosuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

INTEREST RATES

Eurocurrency Deposits

June 27

	Dollar	D-Mark	Swiss Franc	Sterling	French Franc	Yen	ECU	SDR
1 month	8¼-8⅜	7 13/16-8 1/16	8 15/16-9 1/16	14 ⅞-14 15/16	9¾-9⅞	7⅜-7½	9¾-9⅞	8¼
2 months	8¼-8⅜	8-8⅛	8⅞-9	14 13/16-14 15/16	9 13/16-9 15/16	7⅜-7½	9⅞-10	8 ⅝
3 months	8¼-8⅜	8⅛-8¼	8⅞-9	14⅞-14 15/16	9 15/16-10 1/16	7⅜-7½	10-10⅛	8⅝
6 months	8 5/16-8 7/16	8 5/16-8 7/16	8⅝-8¾	14⅞-15	10 1/16-10 3/16	7 9/16-7 11/16	10 1/16-10 3/16	9
1 year	8½-8⅝	8⅝-8¾	8⅜-8½	14 13/16-14 15/16	10¼-10⅜	7 9/16-7 11/16	10 5/16-10 7/16	9 1/16

Sources: All Reuters except ECU: Lloyds Bank.
Rates applicable to interbank deposits of $1 million minimum (or equivalent).

Key Money Rates

June 27

	Close	Prev.
United States		
Discount rate	7.00	7.00
Prime rate	10.00	10.00
Federal funds	8⅜	8 5/16
Com. paper 30-179 days	7.87	7.87
3-month Treasury bills	7.76	7.78
6-month Treasury bills	7.66	7.67
1-year Treasury bills	7.56	7.59
30-year Treasury bond	8.48	8.51
2-month CD's	8.28	7.70
3-month CD's	8.29	7.78
Japan		
Discount rate	5¼	5¼
Call money	7 11/32	7 11/32
2-month interbank	7⅜	7⅜
3-month interbank	7⅜	7⅜
West Germany		
Discount rate	6.00	6.00
Lombard rate	8.00	8.00
Call money	7.95	7.95
1-month interbank	7.95	7.95
3-month interbank	8.30	8.30
6-month interbank	8.50	8.55
Britain		
Bank base rate	15.00	15.00
Call money	15.00	15.00
3-month interbank	14 15/16	14 29/32
6-month interbank	14 15/16	14 29/32
France		
Intervention rate	9¼	9¼
Call money	9⅝	9 13/16
1-month interbank	9¾	9¾
3-month interbank	10.00	9 15/16
6-month interbank	10⅛	10 1/16

Sources: Reuters, Salomon Brothers, Bank of Tokyo, Commerzbank, Crédit Lyonnais.

Asian Dollar Deposits

June 27

1 month	8¼ - 8⅜
2 months	8¼ - 8⅜
3 months	8 5/16 - 8 7/16
6 months	8 5/16 - 8 7/16
1 year	8½ - 8⅝

Source: Reuters.

U.S. Money Market Funds

June 27

Merrill Lynch Ready Assets
30-day average yield: 7.81
Telerate Interest Rate Index: 8.161
Source: Merrill Lynch, Telerate.

GOLD

June 27

	A.M.	P.M.	Ch'ge
Hong Kong	349.95	350.55	— 2.70
Luxembourg	350.50	—	— 2.85
Paris (12.5 kilo)	351.77	351.93	— 1.55
Zurich	350.55	351.05	+ 1.20
London	350.30	350.45	+ 1.30
New York	—	350.25	+ 1.25

Luxembourg, Paris and London official fixings; Hong Kong and Zurich opening and closing prices; New York spot market close. All prices in U.S. $ per ounce.
Source: Reuters.

Fuji Faces a Discreet Japanese Bailout

By David E. Sanger
New York Times Service

TOKYO — If Fuji Heavy Industries Ltd., the maker of Subaru automobiles, were a U.S. company, it would probably be a prime takeover target these days as a slowly dying automaker forced to merge or eventually face bankruptcy.

But Fuji is Japanese, and in Japan, companies the size of Fuji are not allowed to fail.

So on Thursday, in a management shuffle that explains a lot about the way business is done here, control of Fuji will effectively be handed to Japan's second-largest car maker, Nissan Motor Co.

It will all be very discreet; care will be taken to make sure no one loses face and, most important, not a share of stock will change hands.

What is more, the Subaru brand will stay on the market, although to survive, the company's plants may slowly become a secondary producer of Nissan cars as well.

Still, the net effect will be no less than a company takeover, and that comes as an enormous relief to the dejected-looking executives who roam Fuji's headquarters in an office tower in Shinjuku, one of Tokyo's neon night spots.

With the company's automobile sales shriveling abroad and at home, the big question has been when would Japan's elaborate industrial safety net be unfolded, much as it was for Mazda Motor Corp. 15 years ago when Sumitomo Bank came to the rescue.

Mazda later turned into a success story, but no one is quite so sure about Fuji.

Each of the small car makers in Japan is affiliated in some way with a larger manufacturer, and there is an unstated assumption that the bigger company will see its smaller affiliate through.

Also working behind the scenes for a solution are a number of government bureaucrats.

A failure of Fuji, or a formal merger with another Japanese car maker, might well create an atmosphere that would touch off a long-delayed consolidation of Japan's 11 automobile and truck makers.

But people have been predicting such a consolidation for 20 years; that it has yet to happen is an indicator of the lengths to which that Japanese industry will go to avoid the layoffs and dislocations that many associate with Detroit.

"We have said for a long time that there are too many car makers in Japan," an official of the Ministry of International Trade and Industry said recently, recalling how the ministry tried to keep Honda from building cars. "But to let the company fail outright — I think that might be too wasteful."

Just about everyone agrees that without Nissan's help, Fuji would become the first of Japan's third-tier car makers to fail.

To be sure, the Subaru — with its slogan of "Inexpensive, and Built to Stay That Way" — has attracted a loyal U.S. following, particularly in colder-weather regions because it offers four-wheel-drive.

The company's U.S. subsidiary was one of the most profitable concerns in the country a decade ago.

But sales of Subaru cars in the United States have plummeted in the last four years, even as other Japanese car makers enjoyed sales booms abroad and at home.

One problem has been that without the production volumes or technology to cut manufacturing costs, Fuji has been forced to raise prices.

And at a time when the company's three biggest competitors — Toyota, Nissan and Honda — were trimming the time between model changes and introducing a startling

See FUJI, Page 12

U.S. Tax Hike Carries Risks

By John M. Berry
Washington Post Service

WASHINGTON — The commitment Tuesday by President George Bush to include "tax revenue increases" in the budget-deficit reduction package being negotiated with Congress increases the odds that federal spending will be cut and taxes raised at a time when the U.S. economy is growing very slowly.

Depending on how financial markets and other parts of the economy respond, the restraining effect of tax increases and fewer federal purchases could tip the nation into a recession, a number of economists have warned.

A substantial number of them, however, believe reducing the deficit is important enough to run that risk.

When the negotiations began several weeks ago, both the administration and congressional leaders settled on a deficit reduction target of about $50 billion or $55 billion for fiscal 1991, on the grounds that quickly slashing the deficit by a larger amount could endanger continued economic growth.

Most economists believe trimming the budget deficit would lower interest rates because the government would be borrowing less. In the process, more money would be available to private individuals and businesses at a lower cost.

But higher taxes and lower government spending also have the effect of slowing the economy by reducing the amount of goods and services purchased by consumers and government.

Some economists now wonder whether this would overwhelm the otherwise salutary effect of lower interest rates on economic growth.

Analysts generally assume that long-term interest rates — the rates paid by bonds of three years or more — would fall when financial market participants became convinced the deficit would fall.

Then it would be up to the Federal Reserve to take steps to pump enough new cash into the banking system to bring down short-term rates as well.

But with the gross national product rising at a sluggish 1 to 2 percent annually, after adjustment for inflation, it is possible that even prompt Fed action might not be enough to keep the economy from sagging with a cut in the deficit of $50 billion or more, which would equal about 1 percent of GNP.

"You would like to have a clear understanding with the Fed," said George Perry, an economist with the Brookings Institution. "Do the right thing for long-run budget policy and leave it up to the Fed to do the right thing with interest rates."

But doing the right thing might not be enough in the short run, Mr. Perry continued: "This is the first time in a long time that I have felt the economy is shaky."

He said now was a worse time to cut the budget deficit than any in the last five years, "but I still say do

See RECESSION, Page 12

Warrant Issues Key in Tokyo

Success of New Series Seen as Predictor of Market's Path

By Patrick L. Smith
International Herald Tribune

TOKYO — Brokers and institutional investors are bracing for an important test of the near-term prospects for Tokyo financial markets: the success or failure of the market for Japanese equity warrants to revive after four months of slumber.

The popularity of half a dozen expected issues of these instruments in early July — or whether they are brought to the market at all — is likely to indicate the direction that Tokyo share prices will take at least through early autumn, analysts said.

More than this, the health of the warrants market will also determine the ease with which Japanese corporations can continue financing the capital investments that have helped drive the economy over the past four years.

Most analysts see plenty of pressure among prospective issuers for a revival of this key financial market. Potentially weak investor demand, reflecting a pessimistic outlook for the cash market, leaves them skeptical of an immediate return to the peak reached earlier this year.

On Wednesday, the Nikkei 225-stock average closed at 32,312.75, a gain of 740 points. Traders cited the yen's strength against the dollar after President George Bush's statement on the budget Tuesday prompted speculation of lower U.S. interest rates. The index is now roughly equidistant from its low of 28,005 in early April and its January record of 38,915.

"It comes down to how much of a market there is for these instruments — that's what we're watching now," said Cliff Benford, chief of equity derivatives at Jardine Fleming Securities Ltd. in Tokyo. "If it doesn't pick up now, the next real opportunity for the market to turn would be in September or October."

Equity warrants are similar to convertible bonds in that their worth is determined by the value of underlying stock. While convertibles can be turned into shares at a designated date, warrants are attached to bonds and give the bearer the opportunity to purchase stock at a set price for a predetermined period, usually four years.

> Weak investor demand for new issues of warrants leaves analysts skeptical that stocks will soon return to the peak they made earlier this year.

Listed in Luxembourg and traded over the counter in London and Tokyo, dollar-denominated warrant issues by Japanese corporations were the single most important source of capital for them through the late-1980s. Last year the market was worth 11 trillion yen ($71.12 billion), double its size in the previous five years combined.

Strong demand meant that capital came extremely cheap to Japanese companies. But because equity warrants are sold at a premium to share prices — hence depend on a rising stock market to remain popular — activity completely dried up last March, when Tokyo stocks were sliding downward.

"Warrants cannot live or die on their own," Mr. Benford said. "They're really a measure of the Tokyo stock market. Can Japanese corporations refinance themselves — that's the question."

Warrants commanded unusually large premiums during peak periods in the Tokyo market, since they generally brought substantial returns over a short period. Tokyo's Big Four — Nomura Securities Co., Nikko Securities Co., Daiwa Securities Co. and Yamaichi Securities Co. — have managed almost all warrant issues and typically derived 35 percent to 40 percent of pretax profit from them, analysts said.

The first issues since mid-March are now likely to come on July 9 through 11, most market observers believe. But there will be big differences between them and offerings made before the market's slide.

For one thing, issuers are said to have assured lead managers that they can pull the plug on offerings if there is a strong correction in the stock market just before issuing dates. This protects underwriters from getting stuck with huge inventories, which the Big Four are believed to hold already because of the market's early-1990 turn.

For another, pricing will be more aggressive than it was a few months ago and issues will be much smaller. Pre-crash offerings typically came with coupon rates below 1 percent and were priced at a premium of up to 25 percent on the underlying stock; issues ran to $1 billion or more.

The new issues are expected to be $200 million to $300 million and priced this way: a coupon rate of 5.25 percent to 5.5 percent on four-year paper at a premium of 18 percent or so. Gearing — how much the warrant's value moves in relation to the equity price — will be five times or more, compared with three times in earlier issues.

Who will the issuers be? The first

See WARRANTS, Page 15

Iran Warns Kuwait and Emirates

By Youssef M. Ibrahim
New York Times Service

PARIS — In a move with significant political and economic implications for the Gulf region and for oil prices, President Saddam Hussein of Iraq warned Kuwait and the United Arab Emirates on Wednesday to put an end to their excessive production, charging that they were harming Iraq's vital interests as well as those of the Organization of Petroleum Exporting Countries.

The Iraqi pressure on its two small Gulf neighbors marks the first time since 1980 that Baghdad has openly attempted to displace Saudi Arabia as the leading maker of oil policy for the Arab Gulf region and within OPEC.

In addition, in a departure from OPEC's moderate price targets of about $18 a barrel over the past few years, Iraq's chief economic planner, the deputy prime minister Saadoun Hamadi, said in Kuwait that oil prices now at about $14 a barrel should rise to $25.

Such a level would have a significant impact on world economies.

"This is a warning to consumers not to expect oil prices to remain below $20 a barrel for long and a warning to producers in OPEC — like Kuwait and the UAE, who are exceeding quotas — that they cannot do what they want forever and that Iraq is reverting to its activist role of the 1970s in Gulf affairs to make sure things go that way," said Mehdi Varzi, director for energy research at Kleinwort Benson Securities in London.

An Iraqi official who asked not to be identified said the Iraqi demands were part of a political campaign that will be waged by Iraq to reassess Arab and OPEC oil policies on pricing and production.

"It is clear that Iraq now wants to play a more dynamic role in the formulation of OPEC strategies,"

See OIL, Page 10

EC Orders BAe To Repay Aid For Rover Deal

Compiled by Our Staff From Dispatches

BRUSSELS — The EC Commission ordered British Aerospace PLC on Wednesday to repay £44.4 million ($77 million) of government aid it received for the purchase two years ago of the state-owned carmaker, Rover Group.

In another decision, the Commission objected to the form of a linkup by British Airways, Belgium's Sabena and KLM Royal Dutch Airlines, and gave the airlines two months to meet EC competition rules.

On the Rover purchase, the Commission said it believed a further repayment of some £40 million was likely to be necessary in 1991, if government money allocated for restructuring Rover's commercial vehicles division was not fully spent.

But the Commission dismissed accusations that the government had underpitched the price to keep the firm in friendly British hands.

After comparing data provided by Ford Motor Co., which offered a rival bid, and Britain's National Audit Office, the Commission said the £150 million, considered together with the Rover debt burden, amounted to "a reasonable purchase price."

The sale triggered controversy in Britain. The opposition Labor Party accused the Conservative government of deliberately underpricing the sale of a national asset.

British Aerospace said it had no immediate comment on the ruling. In a brief statement the company noted the EC decision was directed to the U.K. government.

It said it would decide its position once the government's response was known and after the company had had an opportunity to consider the Commission's decision in detail.

On the Sabena linkup, the EC's commissioner for competition, Sir Leon Brittan said that although he "warmly welcomed" a Brussels air hub at Zaventem Airport, "some competition questions" were raised by the deal.

British Airways and KLM each have bought a 20 percent stake in a new Sabena unit, called Sabena World Airways, to help the Belgian carrier face competition in a deregulated market after 1992 using fresh capital from its new partners.

The linkup offers British Airways and KLM better access to the Brussels airport.

Sir Leon said he had sent a "statement of objections" to the three airlines. They have two months to reply, he said.

Sir Leon was not specific but indicated his objections touched on the sharing of aircraft slots at Zaventem, the division of air routes among the three carriers and the ownership structure of Sabena World Airways.

KLM said the Commission's decision to object formally to the alliance contained inconsistencies.

A KLM spokesman, Nico Harmse, said he could not understand the Commission's opinion about the venture reducing competition, saying other carriers would be free to compete with the venture.

In London, British Airways said it did not expect any problem in convincing the European Commission of the competitive benefits to the consumer of the joint venture.

A BA spokesman said, "We are confident that the new Sabena World Airlines is good for competition and good for the consumer."

(Reuters, AP, AFP)

Deutsche Bank Details East German Venture

By Steven Greenhouse
New York Times Service

BERLIN — Deutsche Bank announced Wednesday that it was paying 148.5 million Deutsche marks ($88.6 million) for its stake in a venture that will establish 134 bank branches in East Germany.

The agreement with Deutsche Kreditbank, a state-owned East German bank, will give Deutsche Bank the biggest role of any Western bank in East Germany. Its 49 percent interest will make it the largest shareholder in the joint venture, which takes effect Sunday, the date of currency unification.

Under the agreement, 122 former Deutsche Kreditbank branches will become branches of the joint venture. In the rush to set up in East Germany in time for currency unification, the venture is also setting up 12 branches in mobile units. In addition, Deutsche Bank is establishing six of its own branches in East Berlin.

Deutsche Kreditbank, a giant commercial bank carved out of the state banking system, will hold 47 percent of the venture. The other 4 percent will be held by four East German institutions: a state-owned hotel conglomerate, a retailing chain, a chemical manufacturer and a consumer cooperative.

The agreement calls for each bank to have three members of the joint venture's executive board, while Deutsche Bank will have a majority on the supervisory board. Hilmar Kopper, who is Deutsche Bank's chief executive, will be chairman of the joint venture's supervisory board.

The joint venture will absorb 8,500 Kreditbank employees, and Deutsche Bank will contribute 800 of its own employees.

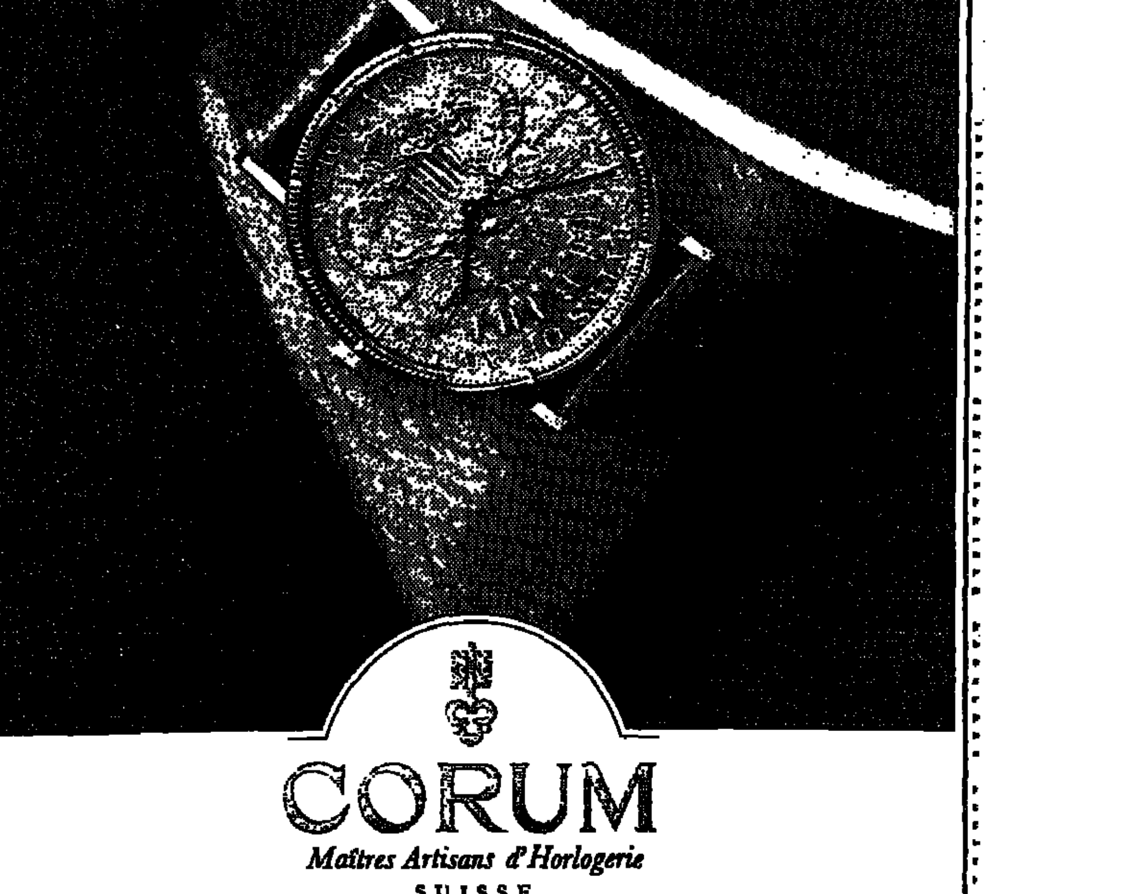
At a news conference on Wednesday, Georg Krupp, head of Deutsche Bank's East German operations, said the Frankfurt-based bank hopes ultimately to acquire 100 percent of the joint venture.

KNOEDLER-MODARCO LTD.
George Town, Grand Cayman
1989 DIVIDEND

The Annual general meeting of stockholders of KNOEDLER-MODARCO LTD. held on June 25, 1990 in Geneva, has decided to pay a dividend of US$10.00 per common share of US$1.00 par value on 1989 profits.

The dividend is payable at the BANQUE PARIBAS (SUISSE) S.A., 2, place de Hollande, 1204 Geneva, (and its branches in Basel, Lugano and Zurich, as well as at its subsidiary in Zurich, Bank Paribas in Zürich AG) as from June 29, 1990 against remittance of coupon No. 3.

Stockholders are reminded that shares of KNOEDLER-MODARCO S.A. may be exchanged on a one to one basis upon presentation of said shares at BANQUE PARIBAS (SUISSE) S.A. for receipt of new shares of KNOEDLER-MODARCO LTD. which is the successor of business of KNOEDLER-MODARCO S.A.



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MARKET DIARY

AT&T Gloom Fails To Depress Stocks

United Press International

NEW YORK — Stocks shrugged off a gloomy earnings forecast from American Telephone & Telegraph to close higher in light trading on Wednesday, helped by some futures-related program buying late in the day.

N.Y. Stocks

The Dow Jones industrial average, which lost 2.72 points Tuesday, rose 19.80 to close at 2,862.13.

Among broader market gauges, the New York Stock Exchange composite index rose 1.40 to 193.87 and Standard & Poor's 500-stock index gained 3.08 to 355.14. The price of an average share jumped 25 cents.

Declines led advances by about an 8-5 margin. Big Board volume totaled 146.6 million shares, against 141.4 million shares traded Tuesday.

The telecommunications giant AT&T said before the opening of trading that second-quarter earnings were expected to be lower than in the same period a year ago.

Program buying caused a modest rally later in the day.

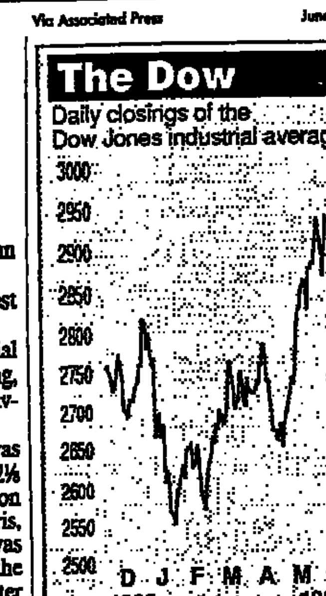
AT&T even managed a partial rebound from the early beating, closing down 2¼ a share, after having been off about 3½.

On the trading floor, AT&T was the most active issue, tumbling 2⅛ to 39⅛ on volume of 11.5 million shares, followed by Philip Morris, down ⅛ to 46¾. Dow Chemical was third, down ⅜ to 57, also feeling the effects of lowered second-quarter earnings expectations this week.

Among other blue chips, IBM rose 1⅛ to 118, Merck gained 1⅜ to 84¼, Woolworth rose ⅞ to 33⅛, Coca-Cola gained 1⅛ to 44⅞, McDonald's added ⅜ to 34⅞ and USX gained ½ to 32¾.

Prices closed narrowly mixed in moderate trading on the American Stock Exchange. Hillhaven led the Amex issues, unchanged at 1⅝. The Amex Market Value index rose 0.25 to close at 357.05.

Via Associated Press June 27



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Dow Jones Averages

	Open	High	Low	Last	Chg.
Indus	2832.18	2878.96	2821.53	2862.13	+ 19.80
Trans	1135.04	1148.54	1128.28	1140.88	+ 5.11
Util	206.80	209.57	206.49	208.43	+ 1.70
Comp	1017.04	1031.94	1012.91	1025.87	+ 6.55

Standard & Poor's Indexes

	High	Low	Close	Ch'ge
Industrials	417.69	412.16	413.78	+3.53
Transp.	276.01	273.42	275.33	+1.45
Utilities	141.09	139.00	140.93	+1.58
Finance	28.77	28.44	28.68	+0.21
SP 500	355.89	351.23	355.14	+3.08
SP 100	338.55	333.76	337.71	+2.67

NYSE Indexes

	High	Low	Close	Ch'ge
Composite	194.18	192.30	193.87	+1.40
Industrials	240.03	238.11	240.04	+2.07
Transp.	171.82	170.84	171.82	+0.76
Utilities	91.59	90.55	91.59	+0.24
Finance	143.66	143.01	142.66	+0.74

NASDAQ Indexes

	Close	Ch'ge	Week Ago	Month Ago
Composite	456.89	+1.51	460.80	458.77
Industrials	491.49	+2.78	492.47	489.03
Finance	446.76	—0.65	453.97	455.25
Insurance	499.53	+1.86	501.28	497.84
Utilities	641.50	+1.29	655.14	658.01
Banks	336.06	—0.60	343.33	348.37
Transp.	478.15	—3.49	482.80	484.42

AMEX Stock Index

High	Low	Close	Ch'ge
357.05	355.56	357.05	+0.25

Dow Jones Bond Averages

	Close	Ch'ge
Bonds	90.79	+0.10
Utilities	91.70	—0.05
Industrials	89.89	+0.26

Market Sales

NYSE 4 p.m. volume	146,620,000
NYSE prev. cons. close	169,546,850
Amex 4 p.m. volume	12,350,000
Amex prev. cons. close	10,540,000
NASDAQ 4 p.m. volume	137,452,900
NASDAQ prev. 4 p.m. volume	131,615,280
NYSE volume up	83,012,000
NYSE volume down	42,339,700
Amex volume up	4,675,400
Amex volume down	4,087,180
NASDAQ volume up	n.a.
NASDAQ volume down	n.a.

NYSE Most Actives

	Vol.	High	Low	Last	Chg.
AT&T	115295	39¼	37½	39⅛	—2⅛
PhilMr s	19754	47⅛	46⅜	46¾	— ⅛
Caterp	14688	52½	51⅞	52¼	— ¼
DowCh s	14468	57⅜	56½	57	— ⅜
BrMySq	12658	63⅜	61¼	63¼	+1⅞
Exxon	12471	48	47	48	+1
FdNM s	12099	39½	38¾	38⅞	— ¼
GenEl	12010	69½	68¾	69¼	+ ¼
Unitel s	11717	38⅞	37	38¾	+1⅜
IBM	11517	118⅛	116¾	118	+1¼
Boeing s	10647	58¾	56⅝	58½	+ ⅞
Waste s	10399	41⅛	39¼	41⅛	+1⅝
AmExp	10380	30⅝	30¼	30½	+ ⅛
Deere	9768	69⅞	66⅝	69¾	+ ¼
LA Gr s	9624	27½	26⅜	27⅛	+1

AMEX Most Actives

	Vol.	High	Low	Last	Chg.
Hilhav n	9950	1⅝	1½	1⅝	
AT&E	7370	19	15⅞	16¾	—2
A-att2 sc	7097	13	11½	12¼	—1½
FruitL	6970	12	11⅞	12	+ ⅝
Kirby	3896	10	9¾	9⅞	
BnchE n	3634	8¾	8¼	8¾	
Amdhl	2956	16	15½	15¾	+ ¼
Iverson	2442	1⅜	1¼	1⅜	+ ⅛
BairPh	2271	5¼	5	5⅛	— ⅜
WangB	2147	4⅝	4¼	4¼	
EksNk wt	2014	3	2⅞	3	— ⅛
Alza	1944	43⅛	42⅝	43	
SNk 193wt	1859	8	7⅞	7⅞	— ¾
Telesph	1515	4⅝	4	4⅝	+ ½
SNk f93wt	1401	9	8⅝	8⅝	— ⅝

NYSE Diary

	Close	Prev.
Advanced	846	706
Declined	600	752
Unchanged	530	529
Total Issues	1976	1987
New Highs	37	26
New Lows	57	52

Amex Diary

	Close	Prev.
Advanced	249	240
Declined	256	285
Unchanged	271	272
Total Issues	776	797
New Highs	12	14
New Lows	18	28

NASDAQ Diary

	Close	Prev.
Advanced	957	765
Declined	932	1,136
Unchanged	n.a.	2,390
Total Issues	n.a.	4,291

N.Y.S.E. Odd-Lot Trading

	Buy	Sales	*Sh'rt
June 26	446,186	543,747	26,872
June 25	378,534	634,432	108,835
June 22	743,551	670,481	30,204
June 21	448,091	567,888	15,282
June 20	476,280	590,457	26,396

*Included in the sales figures

S&P 100 Index Options

June 27

Strike Price	Calls-Last Jly	Aug	Sep	Oct	Puts-Last Jly	Aug	Sep	Oct
295	—	—	—	—	⅛	—	—	—
300	39½	—	—	—	⅛	⅜	—	—
305	—	—	—	—	⅜	1⅛	—	—
310	29	—	—	—	½	1⅝	3⅛	—
315	25⅞	25	—	—	⅞	2⅛	4	—
320	21¼	22	—	—	⅞	2¾	4½	—
325	17	18⅞	—	—	1⅜	3⅝	6	—
330	11⅞	14⅝	—	—	2⅛	4⅞	7	7
335	8¼	11⅞	14	—	3⅝	6½	8½	—
340	5⅜	8⅝	11⅞	12⅝	5⅝	8½	10⅝	12⅜
345	3	5⅝	8½	—	8⅝	11	13	—
350	1⅝	3⅝	6⅞	17⅛	12⅝	14⅝	16½	—
355	⅝	2⅛	4⅝	—	17½	18⅝	—	—
360	⅜	1⅜	3⅛	—	23½	25⅜	—	—
365	⅛	⅝	2	—	—	—	—	—

Calls: total vol. 113,467; total open int. 318,459
Puts: total vol. 96,920; total open int. 329,748
S&P 100 index:
High 338.55 low 333.76 close 337.71 +2.67
Source: CBOE.

Currency Options

June 27

PHILADELPHIA EXCHANGE

Option & Underlying	Strike Price	Calls—Last Jul	Aug	Sep	Puts—Last Jul	Aug	Sep
50,000 Australian Dollars-cents per unit.							
Dollr	73	r	r	r	r	r	0.16
78.85	75	r	r	r	r	r	0.38
78.85	77	r	r	r	r	0.53	r
78.85	79	0.37	r	r	r	r	
100,000 Australian Dollars-European Style.							
78.85	78	r	r	r	r	r	1.55
31,250 British Pounds-cents per unit.							
Pound	160	r	r	r	r	r	0.18
174.32	162½	r	r	r	r	r	0.33
174.32	167½	7.00	r	r	0.06	0.50	r
174.32	170	r	4.30	4.50	0.25	1.10	r
174.32	172½	2.15	2.40	3.20	0.65	1.80	r
174.32	175	0.82	1.40	r	r	3.30	
31,250 British Pounds-European Style.							
174.32	167½	r	r	r	r	0.46	
50,000 Canadian Dollars-cents per unit.							
Dollar	81	r	r	r	r	r	0.07
85.39	82	r	r	r	0.03	r	0.19
85.39	82½	r	r	r	0.04	r	0.26
85.39	83	r	r	r	0.08	r	0.35
85.39	83½	r	r	r	0.12	0.17	r
85.39	84	r	r	r	0.12	0.28	0.60
85.39	84½	r	r	r	0.21	0.40	0.90
85.39	85	r	r	0.70	0.28	0.68	1.14
85.39	85½	0.20	0.35	0.45	0.52	r	1.55
85.39	86	r	r	r	1.00	r	1.82
50,000 Canadian Dollars-European Style.							
Dollar	81	r	r	r	r	r	0.06
85.39	82	r	r	r	r	r	0.18
85.39	82½	r	r	r	0.03	r	0.27
85.39	83	r	r	r	r	r	0.34
85.39	84	r	r	r	0.11	r	0.67
85.39	84½	r	r	r	0.17	0.50	0.90
85.39	85	r	r	r	0.27	0.64	1.15
85.39	85½	r	r	r	r	1.04	
62,500 West German Marks-cents per unit.							
Mark	58	r	r	r	r	0.13	0.32
60.33	59	1.19	r	1.73	0.09	0.30	0.58
60.33	59½	r	s	s	0.18	0.44	
60.33	60	0.50	r	r	0.38	0.65	0.94
60.33	60½	0.29	r	s	r	0.86	
60.33	61	0.15	0.42	0.69	r	r	r
60.33	61½	0.10	r	s	r	r	
60.33	62	r	r	0.48	r	r	r
60.33	63	r	r	0.24	r	r	
250,000 French Francs-10ths of a cent per unit.							
Franc	17½	r	r	r	0.20	r	
6.25 mil Yen-100ths of a cent per unit.							
Yen	62½	r	r	s	0.08	r	
64.84	63½	r	r	s	0.08	r	
64.84	64	r	r	r	0.13	0.35	r
64.84	64½	r	r	s	0.28	r	
64.84	65	0.35	0.65	0.94	r	r	r
64.84	65½	0.19	r	s	r	r	
64.84	66	0.10	r	0.56	r	r	1.63
64.84	67	0.04	0.16	r	r	r	r
64.84	67½	0.03	r	s	r	r	
64.84	70	r	r	0.08	r	r	
62,500 Swiss Francs-cents per unit.							
Franc	68	r	r	r	r	r	0.30
71.65	69½	1.71	r	s	r	0.35	
71.65	70	r	r	r	0.20	r	0.62
71.65	70½	0.99	r	s	r	r	
71.65	71	0.63	r	r	0.54	r	r
71.65	72	r	r	0.96	r	r	r
71.65	75	r	r	0.26	r	r	
62,500 ECUs-cents per unit.							
ECU	122	r	r	r	r	0.78	

Total call vol. 9,934 Call open int. 277,239
Total put vol. 18,811 Put open int. 282,140
r—Not traded. s—No option offered.
Last is premium (purchase price).

European Commodities

	Close Bid	Ask	High	Low	Previous Bid	Ask
LONDON SUGAR U.S. Dollars per metric ton						
Aug	281.00	281.20	284.00	277.40	277.40	278.00
Oct	278.00	278.20	282.00	274.40	274.20	274.60
Dec	267.00	284.00	285.00	275.00	260.00	278.00
Mar	268.00	268.40	272.40	268.00	265.80	266.00
May	267.00	268.00	270.00	268.60	264.40	266.00
Aug	267.20	267.40	269.60	267.40	265.20	266.00
Oct	263.00	264.00	265.00	263.00	262.00	264.00
Volume: 1,188 lots of 50 tons.						
LONDON COCOA Sterling per metric ton						
Jul	770	772	772	755	746	747
Sep	795	796	797	783	772	773
Dec	821	823	823	812	801	802
Mar	849	850	851	841	830	831
May	867	869	870	861	848	849
Jul	888	890	890	884	865	867
Sep	906	908	900	900	883	884
Volume: 5,565 lots of 10 tons.						
LONDON COFFEE Sterling per metric ton						
Jul	558	557	564	550	556	557
Sep	581	582	587	571	579	580
Nov	600	602	606	591	598	599
Jan	615	618	620	610	615	616
Mar	633	634	639	632	630	631
May	645	650	659	649	640	648
Jul	640	664	N.T.	N.T.	657	663
Volume: 4,746 lots of 5 tons.						
LONDON GASOIL U.S. dollars per metric ton						
Jul	144.50	144.75	145.75	144.00	145.50	145.75
Aug	144.50	144.75	145.75	144.00	145.50	145.75
Sep	146.75	147.00	148.00	146.25	148.00	148.25
Oct	150.00	151.00	151.50	150.00	151.00	151.50
Nov	152.00	155.00	153.25	152.00	153.25	153.50
Dec	155.25	156.00	156.00	154.00	155.00	155.50
Jan	150.00	157.00	155.50	154.00	155.00	155.25
Feb	152.00	155.00	154.50	152.00	151.00	151.25
Mar	147.75	150.00	148.00	146.75	147.25	148.00
Volume: 7,923 lots of 100 tons.						

PARIS SUGAR French francs per metric ton	High	Low	Close Bid	Ask	Ch'ge
Aug	2,175	2,128	2,145	2,170	+13
Oct	2,029	1,990	2,020	2,030	+25
Dec	1,995	N.T.	1,980	2,000	+15
Mar	1,980	1,975	1,960	1,980	+23
May	1,970	N.T.	1,950	1,975	+18
Aug	N.T.	N.T.	1,945	1,970	+18

Est. vol.: 1,607 lots of 50 tons. Prev. actual sales: 623 lots. Open interest: 17,393.

Sources: Paris Bourse du Commerce, London Petroleum Exchange, Reuters.

Dividends

Company	Per	Amt	Pay	Rec
REDUCED				
Multibank Fncl Corp	Q	.10	7-20	7-10
USUAL				
Blair Corp	Q	.15	8-1	7-13
Elcor Corp	Q	.05½	8-16	7-13
1st Home Svgs Bnk	Q	.10	7-31	7-18
Fleming Cos	Q	.25	9-10	8-20
FlightSafety Intl	Q	.05	8-7	7-15
Jefferson Bnkshrs	Q	.25	7-31	7-6
Montana Power Co	Q	.35½	8-1	7-11
Penney (JC) Co	Q	.66	8-1	7-10
Penobscot Shoe Co	Q	.05	9-14	8-24
Seaway Food Town	Q	.09	7-19	7-9
Technalysis Corp	S	.23	8-3	7-20
WD-40 Co	Q	.43	7-30	7-10

a-annual; m-monthly; q-quarterly; s-semi-annual

Source: UPI.

Spot Commodities

Commodity	Today	Prev.
Aluminum, lb	0.735	0.735
Coffee, lb	0.77	0.77
Copper electrolytic, lb	1.2112	1.2425
Iron FOB, ton	213.00	213.00
Lead, lb	0.45	0.45
Silver, troy oz	4.825	4.770
Steel (billets), ton	473.00	473.00
Steel (scrap), ton	112.00	112.00
Tin, lb	3.7476	3.7445
Zinc, lb	0.87	0.87

London Metals

	Close Bid	Ask	Previous Bid	Ask
ALUMINUM (High Grade) Dollars per metric ton				
Spot	1536.00	1538.00	1531.00	1533.00
Forward	1561.00	1562.00	1556.00	1557.00
COPPER CATHODES (High Grade) Sterling per metric ton				
Spot	1444.00	1446.00	1445.00	1450.00
Forward	1422.00	1423.00	1417.00	1418.00
LEAD Sterling per metric ton				
Spot	494½	495½	493.00	495.00
Forward	496½	497.00	497.00	498.00
NICKEL Dollars per metric ton				
Spot	8575.00	8585.00	8700.00	8725.00
Forward	8600.00	8625.00	8710.00	8725.00
TIN Dollars per metric ton				
Spot	6155.00	6165.00	6150.00	6160.00
Forward	6270.00	6275.00	6270.00	6275.00
ZINC (Special High Grade) Dollars per metric ton				
Spot	1750.00	1755.00	1722.00	1727.00
Forward	1656.00	1658.00	1640.00	1642.00

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Dollar Closes Mixed After Brady Remarks

Reuters

NEW YORK — The dollar closed mixed on Wednesday, firming slightly near the end of the day after remarks by the Treasury Secretary Nicholas F. Brady, who said inflation had been slowed and that interest rates would fall if the administraiton and Congress agreed to reduce the budget deficit.

Foreign Exchange

Dealers said the dollar was supported at around 1.6600 Deutsche marks — a level the market failed to breach on the downside Wednesday morning. That failure eventually triggered a rebound in the dollar, but the U.S. unit failed to hold above resistance at 1.6650 DM.

The dollar ended at 1.6650 DM, up from 1.6630 DM at Tuesday's close, and at 154.50 yen, down from 154.675.

"I don't think there was anything specific in what Brady said to force people to buy dollars," said Graham Beale, chief dealer at Hong Kong & Shanghai Banking Corp.

Mr. Beale and others attributed a lot of the activity to month-end and end-of-quarter position squaring.

He also suggested that speculators who took short positions in the mark months ago, betting that monetary unification would be a negative for Germany, have been taking profits this week. "They've got some profit and they want to take it ahead of the weekend," he said. Monetary union takes effect from Sunday.

The U.S. unit also ended at 1.4100 Swiss francs, compared with 1.4005 francs, and at 5.595 French francs, up from 5.581 francs.

In London, the dollar closed lower on Wednesday after a quiet European session, with trading mostly between banks.

The dollar ended at 1.6630 DM, down from Tuesday's close of 1.6765, and at 154.35 Japanese yen, down from 155.02.

U.S./AT THE CLOSE

AT&T Stock Dives on Profit Outlook

NEW YORK (Reuters) — American Telephone & Telegraph Co. stock plunged Wednesday after the company said that its second-quarter results would likely be lower than those reported for the year-earlier quarter but that it continues to expect record profits for the full year.

The stock stood at $39.125 at the close, down $2.125, after it recovered somewhat from the day's lows. A downgrading of the stock from a buy to a hold by a PaineWebber analyst also was seen playing a part in the sharp decline.

AT&T earned $699 million in the second quarter of 1989; for the full year, it earned $2.7 billion. The company said it will release 1990 second-quarter results in mid-July.

FDIC Sets Up Drexel Task Force

WASHINGTON (Reuters) — The Federal Deposit Insurance Corp. said Wednesday that it had formed a special task force as part of increased efforts to recover millions of dollars lost by closed savings and loans that invested in junk bonds through Drexel Burnham Lambert Group and the former Drexel official Michael Milken.

The FDIC said the task force was established as part of a comprehensive and coordinated effort with the Resolution Trust Corp. to investigate claims against Drexel and Mr. Milken, and to consider possible criminal charge referrals to the Justice Department. The RTC is the agency set up to preside over the thrift bailout.

FDIC General Counsel Alfred Byrne said the FDIC always investigates failed institutions for signs of wrongdoing that may have contributed to the failure. "In this case, we have preliminary information that links Drexel and Milken to millions of dollars lost by a number of failed thrifts in junk bonds," he alleged.

$10 Million for Fired Shearson Chief

NEW YORK (AP) — Peter A. Cohen, who was ousted as chairman of Shearson Lehman Hutton Inc. earlier this year, will receive a severance package worth about $10 million, individuals familiar with the pact said Wednesday.

Mr. Cohen was ousted by American Express Co.'s chairman, James D. Robinson 3d, as part of an overhaul designed to stem mounting losses and morale problems at the nation's second-largest securities firm.

Mr. Cohen will receive $2.6 million in severance pay plus stock and options, according to people familiar with the deal.

Citibank Enters Phone Card Business

NEW YORK (AP) — Citibank, the largest U.S. credit card issuer, is taking on American Telephone & Telegraph Co. in the telephone credit card market.

Citibank has enlisted MCI Communications Corp., the second-largest long-distance telephone company, to help it launch a competitor to AT&T's Universal card. The cards allow users to charge long-distance telephone calls on their Visa or MasterCard.

Lehman Leads in Merger Business

NEW YORK (Reuters) — The Lehman Brothers unit of Shearson Lehman Hutton Inc. led Wall Street firms in merger business during the first half of the year, closing 95 deals worth a total of $27.5 billion, according to a preliminary survey by Securities Data Corp. Goldman Sachs followed Lehman with 56, totaling $26 billion.

The value of first half volume in global mergers and acquisitions fell 36 percent through June 26, with U.S. activity dropping 53 percent from the period a year earlier. The value of U.S. leveraged buyouts dropped to $7.4 billion in the first half from $40.9 billion in first half of 1989, the survey showed.

For the Record

Barclays Bank PLC said its U.S. preferred share issue that closed Wednesday raised $224 million. Barclays said better-than-expected U.S. investor demand led to the issue exceeding Barclays' original proposal to raise $100 million. (Reuters)

OIL: *Iran Says Excess Output by Kuwait and Emirates Harms Its Interests*

(Continued from first finance page)

said Nordine Ait-Laoussine, an oil consultant in Geneva who was a senior oil official in Algeria, "particularly as its interests in having a high price for oil coincides with many other powerful members in the organization including Iran."

The moves carry added political significance as they mark another notch in Iraq's campaign to become the leading Arab military, political and economic power at least within the Gulf region.

Iraq hosted an Arab summit in Baghdad in May and has emerged as the prime Arab adversary of Israel, threatening to respond to any Israeli aggression with chemical weapons that "would burn half of Israel."

The Iraqi warning about Kuwait's oil policies was served Tuesday in a personal message carried by Mr. Hamadi to the Emir of Kuwait, Sheikh Jabbar al Ahmad al Sabah, it was revealed Wednesday, according to Arab oil industry officials familiar with the situation.

While the contents of the letter are unknown, Mr. Hamadi left little doubt in comments published in the Arab Gulf press Wednesday about the severity and urgency of its tone.

These developments followed similarly severe criticism of Kuwait and the United Arab Emirates by the current president of the OPEC group, Oil Minister Sadek Boussena of Algeria, who recently visited both countries to serve notice that lower prices resulting from too much oil are behind recent economic instability in Algeria and other poorer oil-producing nations, including Egypt and Nigeria.

Iraq and Iran apparently have ended their rivalry within OPEC. A senior OPEC official said the countries now are the two major military and strategic powers in the Gulf and could significantly dilute Saudi Arabia's role and its traditional stand in favor of moderate oil prices.

WORLD STOCK MARKETS

Agence France Presse June 27

Amsterdam

	Close	Prev.
ABN Bank	37.30	37.50
ACF Holding	40.80	41.50
Aegon	130	131.40
Ahold	148.40	148
Akzo	123.80	124
AMEV	59.10	58.40
A'Dam Rubber	5.70	5.75
Amro Bank	74.40	74.80
Bols	182	182
Buhrmann Tett	72.70	72.90
BVG	N.Q.	—
Center Parcs	60.30	60.40
CSM	85.50	86
DAF	31.30	31.70
DSM	117.30	117.40
Elsevier	91.70	92.30
Fokker	48.20	48.40
Gist-Brocades	33.90	34.20
Heineken	124.90	124.90
Hoogovens	72	72.80
Hunter Douglas	98.50	99.50
IHC Caland	53.80	53
Inter Mueller	96	96.50
KLM	35.90	36.10
KNP	45.80	45.60
Nat Neder	71.70	72.40
Nedlloyd	79.60	80.40
NMB Bank	50	49.90
Oce Grinten	59.80	58.80
Pakhoed	203	203.60
Philips	33.50	33.70
Robeco	99.30	99.30
Rodamco	80.70	80.90
Rolinco	99.30	99.20
Rorento	59.50	59.50
Royal Dutch	142	142.60
Unilever	159	158.90
Van Ommeren	45.60	45.90
VMF Stork	55.40	55.80
VNU	101.40	101.60
Wessanen	73.20	73.20
Wolters/Kluwer	51.30	52.70

CBS Gen'l trend index : 121.10
Previous : 121.50

Brussels

	Close	Prev.
AG Fin	9750	9790
Arbed	5190	5200
Barco	2360	2395
Bekaert	14075	N.A.
Cockerill	191	193
Cobepa	5690	5680
Delhaize	6400	6420
EBES	3920	3905
GB-Inno-BM	1366	1366
GBL	3885	3910
Gevaert	8410	8410
Hoboken	19100	19080
Intercom	3130	3130
Kredietbank	3950	3900
Petrofina	11850	11900
Royal Belge	5560	5510
Soc Gen Bque	3270	3280
Soc Gen Belgique	3305	3310
Sofina	13250	13225
Solvay	13800	13775
Tractebel	8290	8460
UCB	22500	23050
Unerg Ps	2280	2300

Current Stock Index : 6263.90
Previous : 6256.27

Frankfurt

	Close	Prev.
AEG	292	291.90
Allianz Hold	2780	2785
Altana	541.80	533.50
Asko	937	934.50
BASF	294	294.50
Bayer	294.30	293.80
Bay Vereinsbk	397.50	399
BBC	931	930
BHF Bank	479.50	477.50
BMW	584	580
Commerzbank	282.50	282
Continental	317.50	320
Daimler Benz	847	836
Degussa	484	486
Dt Babcock	219	221
Deutsche Bank	805	797
Douglas	910	898
Dresdner Bank	427	426.50
Feldmuehle	514.50	514.50
Harpener	472	470
Henkel	635	640
Hochtief	1435	1445
Hoechst	278	289
Hoesch	335	335.50
Holzmann	N.A.	1655
Horten	265	266
IWKA	421	421
Kali Salz	273.50	274
Karstadt	786	789
Kaufhof	N.A.	648
KHD	282	270
Kloeckner Werke	225.80	226
Krupp Stahl	405	405
Linde	1016	999
Lufthansa	178.50	179
MAN	485	486
Mannesmann	363.20	360
Metallgesell	673	662
Muench Rueck	2380	2305
Nixdorf	310	308
PKI	555	551
Porsche	1222	1228
Preussag	460	459.50
PWA	326	323
RWE	505	498
Rheinmetall	443	445
Schering	814	814
SEL	482	482
Siemens	759.30	759
Thyssen	286.50	286
Varta	391	391
Veba	444.50	442.50
VEW	224.50	225
Viag	419	416
Volkswagen	632	625
Wella	N.Q.	760

DAX Index : 1981.46
Previous : 1980.26
FAZ Index : 777.34
Previous : 777.45

Helsinki

	Close	Prev.
Amer A	120	120
Enso-Gutzeit	31	31.50
K.O.P.	47	48.50
Kymmene	84	85
Nokia	103	100
Pohjola	165	160
Stockmann	205	185
United Papers	155	152
Wartsila	415	420

Unitas Index : 552.50
Previous : 556.30

Hong Kong

	Close	Prev.
Bk East Asia	15.50	15.50
Cathay Pacific	9.35	9.35
Cavendish Int'l	3.63	3.63
Cheung Kong	12.80	12.80
China Light Pwr	14.90	15
Dairy Farm Int'l	9.90	10
Hang Lung Dev	5.55	5.50
Hang Seng Bank	20.60	20.70
Henderson Land	8.25	8.20
HK Air Eng.	19.90	19.90
HK China Gas	11.90	12.10
HK Electric	8.50	8.35
HK Land	8.35	8.35
HK Realty Trust	4.80	4.82
HK Shang Bank	5.80	5.85
HK Shang Htls	5.05	5.10
HK Telecomm	4.35	4.35
HK Ferry	5.15	5.10
Hutch Whampoa	11.90	11.80
Hysan Dev	1.27	1.28
Jardine Math.	32.25	32.25
Jardine Str Hld	17.50	17.60
Kowloon Motor	6.30	6.20
Mandarin Orient	6.20	6.15
Miramar Hotel	7	7.05
New World Dev	11.50	11.40
SHK Props	15.10	15.10
Stelux	4.30	4.35
Swire Pac A	20.80	21
Tai Cheung Prps	4.15	4.13
TVE	1.03	1.03
Wharf Hold	8.45	8.45
Wing On Co	7.30	7.30
Winsor Ind.	8.30	8.40
World Int'l	4.28	4.30

Hang Seng Index : 3284.47
Previous : 3272.25

Johannesburg

	Close	Prev.
AECI	17.50	17.50
Altech	65.50	65.50
Anglo Amer	109	108.75
Barlows	36.75	36.75
Blyvoor	9.80	9.80
Buffels	48.50	48.50
GFSA	76.50	76.50
Harmony	24	24
Highveld Steel	16.75	17
Kloof	36.50	35.50
Nedbank Grp	10.45	10.50
Rusplat	85	85
SA Brews	38.50	38.50
St Helena	33	33
Sasol	12.35	12.25
Welkom	20.25	21
Western Deep	116.50	115

Composite Stock Index : 3089
Previous : 3017

London

	Close	Prev.
Allied Lyons	5	5.10
Anglo Am Gld	42.72	43.50
AA Corp	15.50	16.13
Asda-MFI Gp	1.18	1.19
Ass Brit Foods	3.97	4.02
Barclays	4.05	4.10
Bass	11	11.08
B.A.T.	6.53	6.68
Blue Circle	2.51	2.53
BOC Group	6.08	6.18
Boots	3.02	3.06
Bowater	5.28	5.29
BAe	5.42	5.48
BAA	4.34	4.33
Brit Airways	2.12	2.15
British Gas	2.21	2.23
BP	3.20	3.26
British Steel	1.46	1.47
Brit Telecom	3	3.03
BTR	4.28	4.30
Burmah Oil	6.38	6.43
Cable Wire	5.50	5.67
Cadbury Sch	3.54	3.65
Charter Cons	4.57	4.58
Comm Union	5.26	5.22
Cookson	2.20	2.15
Courtaulds	3.62	3.65
Dalgety	3.80	3.80
De Beers	N.Q.	—
Dixons	1.48	1.51
Driefontein	5.84	5.86
Eurotunnel	4.93	4.98
Fisons	3.54	3.60
Gen Acc F	11.37	11.25
GEC	1.96	1.99
GKN	4.15	4.28
Glaxo	7.98	8.08
Grand Met	6.44	6.61
Gt Univ Stores	13.50	13.50
GRE	2.48	2.47
Guinness	7.90	7.90
Hanson	2.39	2.43
Hawker Sidd	6.68	6.63
ICI	11.65	11.86
Kingfisher	3.54	3.69
Land Sec	5.06	5.07
Legal Gen Grp	4.30	4.21
Lloyds Bank	2.98	3
Lonrho	2.53	2.53
Lucas Ind	1.63	1.63
Marks Sp	2.40	2.45
Maxwell	1.88	1.94
MB Group	2.07	2.09
Midland Bk	2.93	2.95
NatWest	3.26	3.35
Pearson Grp	7.83	7.68
P and O	6.57	6.59
Pilkington	2.05	2.05
Prudential	2.38	2.34
Racal Elec	1.96	1.97
Randfontein	N.A.	2.60
Rank Org	8.67	8.63
Reed Int'l	4.67	4.74
Reuters	12.38	12.58
Rolls Royce	2.17	2.16
Royal Dutch	43.58	43.75
RTZ	5.68	5.76
Saatchi	0.86	0.83
Sainsbury	2.92	2.91
Sears Holds	0.98	1.02
Shell	4.61	4.65
Siebe	5.37	5.43
STC	2.52	2.59
Std Chart Bk	4.68	4.73
Storehouse	1.25	1.26
Sun Alliance	3.40	3.38
Tate and Lyle	3.03	3.10
Tesco	2.26	2.28
Thorn EMI	7.72	7.88
T.I. Group	5.17	5.15
Trafalgar Hse	3.27	3.28
THF	3.06	3.08
Ultramar	3.35	3.40
Unilever	7.01	7.08
Utd Biscuits	3.55	3.55
Vickers	2.31	2.34
War Loan 3½	33.28	33.25
Wellcome	6.16	6.22
Woolworth	18.56	17

F.T. 30 Index : 1982.60
Previous : 1974.40
F.T.S.E. 100 Index : 2392.40
Previous : 2377.80

Madrid

	Close	Prev.
Bco. Bilbao/Viz.	3300	3250
Banco Central	4850	4840
Bco. Santander	5000	4990
Banesto	3865	3865
CEPSA	2115	2115
Dragados	3310	3320
Iberduero	724	732
Telefonica	874	873

S.E. General Index : 293.69
Previous : 293.30

Milan

	Close	Prev.
Banca Comm	5175	5190
Bastogi	324	321
Cigahotels	5910	5988
CIR	5500	5470
Cred Ital	2487	2485
Enimont	1441	1444
Eridania	9515	9420
Ferruzzi Fin.	2960	2980
Ferruzzi Agr.	2750	2760
Fiat SPA	10200	10205
Generali	43650	43600
IFI	28350	28450
Italcem	15150	15140
Italgas	2965	2945
Italmobiliare	2225	2223
Mediobanca	21000	20510
Montedison	2057	2050
Olivetti	6630	6640
Pirelli	2795	2745
RAS	26450	26600
Rinascente	7800	7790
Saipem	2790	2797
SIP	1645	1640
SME	4740	4651
Snia	2740	2685
Standa	31700	31450
Stet	7000	6901
Toro Assi Risp	26300	26450

p: x 100.
MIB current index : 1089.80
Previous : 1091.70

Montreal

	Close	Prev.
Alcan Aluminum	26	25⅝
Bank Montreal	27⅝	N.Q.
Bell Canada	39¾	39
Bombardier A	18½	18
Bombardier B	18½	18⅜
Cambior	11¼	11¼
Cascades	3.85	3.85
Dominion Text A	11⅞	11¼
Donohue	N.A.	—
MacMillan Bl	18⅛	18
Memotec	9⅝	N.Q.
Natl Bk Canada	9⅝	9⅝
Noverca	15⅛	15
Power Corp.	14⅝	14⅝
Provigo	8⅝	8⅝
Quebec Tel	14	N.Q.
Quebecor A	N.Q.	12
Quebecor B	11	N.Q.
Videotron	13⅛	13⅛

Industrials Index : 1630.25
Previous : 1622.33

To Our Readers

The stock prices for Paris were not available Wednesday due to problems at the source.

Sao Paulo

	Close	Prev.
Banco do Brasil	15.10	15.10
Bradesco	1.20	1.05
Brahma	3.10	3.10
Paranapanema	0.73	0.78
Petrobras	141	141
Vale Rio Doce	28.40	28.20
Varig	16.50	16

Bovespa Index : 17414
Previous : 17454

Singapore

	Close	Prev.
City Dev.	3.58	3.62
DBS	N.Q.	11.80
Fraser Neave	8.85	8.90
Genting	9.30	9.35
Harrisons Plant	1.61	1.61
Haw Par	2.82	2.76
Hume	3.58	3.56
Inchcape	5.20	5.25
Keppel	7.85	7.95
KL Kepong	2.85	2.87
Lum Chang	1.45	1.42
Malayan Banks	8.65	8.60
OCBC	9.55	9.40
OUB	5.65	5.90
OUE	9.20	9.15
Sembawang	7.20	7.20
Shangrila	5.65	5.80
Sime Darby	2.83	2.85
SIA	13.60	13.10
S'pore Land	14.80	14.80
S'pore Press	8	7.80
Sing Steamship	3.70	3.70
Straits Trading	3.32	3.28
UOB	6.45	6.60
United Overseas	2.15	2.18

Straits Times Ind. : 1533.25
Previous : 1522.59

Stockholm

	Close	Prev.
AGA	320	315
Alfa Laval	280	275
Asea	794	795
Astra -A	545	540
Atlas Copco	355	350
Electrolux B	263	264
Ericsson	1262	1259
Esselte-A	237	237
Handelsbanken	130	127
Pharmacia-A	205	210
Norsk Hydro	198.50	197
Saab-Scania	275	275
Sandvik	317	318
SCA-A	125	128
S-E-Banken	79.50	80
Skandia F	199	199
Skanska	480	485
SKF	177	176
Stora	343	342
Volvo	333	334

Affaersvaerlden : 1311.50
Previous : 1293.20

Sydney

	Close	Prev.
ANZ	4.97	4.98
BHP	9.36	9.48
Bond	0.15	0.14
Boral	3.43	3.46
Bougainville	0.92	0.94
Coles Myer	7.72	7.76
Comalco	4	4.08
CRA	12.30	12.35
CSR	5.34	5.38
Dunlop	5.08	5.12
Elders IXL	1.74	1.75
ICI Australia	4.74	4.77
Magellan	1.62	1.62
MIM	2.29	2.30
Nat Aust Bank	5.38	5.38
News Corp	11.65	11.15
N Broken Hill	2.38	2.44
Poseidon	2.28	2.28
QCT Resources	1.37	1.38
Santos	4.06	4.15
TNT	2.57	2.61
Western Mining	4.53	4.57
Westpac Banking	4.66	4.69
Woodside	2.90	2.88

All ordinaries Index : 1504.10
Previous : 1513.10

Tokyo

	Close	Prev.
Akai Electr	1030	1010
Asahi Chemical	894	895
Asahi Glass	1840	1760
Bank of Tokyo	1520	1510
Bridgestone	1530	1460
Canon	1880	1800
Casio	1600	1530
C.Itoh	825	805
Dai Nippon Print	1900	1880
Daiwa House	2450	2430
Daiwa Securities	1540	1500
Fanuc	7360	7050
Fuji Bank	2700	2680
Fuji Photo	4420	4390
Fujitsu	1440	1390
Hitachi	1550	1500
Hitachi Cable	1230	1150
Honda	1780	1780
Ito Yokado	3950	3960
Japan Air Lines	18100	18000
Kajima	1920	1900
Kansai Power	3400	3380
Kawasaki Steel	577	563
Kirin Brewery	1880	1860
Komatsu	1130	1100
Kubota	1020	990
Kyocera	8630	8530
Matsu Elec Inds	2150	2080
Matsu Elec Wks	1990	1970
Mitsubishi Bk	2450	2440
Mitsubishi Kasei	738	730
Mitsubishi Elec	1010	980
Mitsubishi Hev	1020	1000
Mitsubishi Corp	1490	1430
Mitsui and Co	948	905
Mitsukoshi	1790	1770
Mitsumi	1550	1430
NEC	2030	1980
NGK Insulators	1430	1410
Nikko Securities	1230	1210
Nippon Kogaku	1750	1680
Nippon Oil	1270	1300
Nippon Steel	571	565
Nippon Yusen	865	856
Nissan	1130	1100
Nomura Sec	2290	2230
NTT (SF)	10053	9850
Olympus Optical	1600	1530
Pioneer	6320	6150
Ricoh	1110	1080
Sanyo Elec	924	919
Sharp	1880	1820
Shimazu	1200	1160
Shinetsu Chem	1700	1710
Sony	8570	8510
Sumitomo Bk	2520	2500
Sumitomo Chem	668	665
Sumi Marine	1040	1030
Sumitomo Metal	549	535
Taisei Corp	1310	1310
Taisho Marine	1040	1030
Takeda Chem	1730	1680
TDK	7320	7050
Teijin	740	735
Tokyo Marine	1390	1370
Tokyo Elec Pw	4260	4230
Toppan Printing	1780	1740
Toray Ind.	780	780
Toshiba	1110	1070
Toyota	2370	2280
Yamaichi Sec	1230	1240

Nikkei 225 : 32373
Previous : 31592
Topix Index : 2442
Previous : 2323

Toronto

	Close	Prev.
Abitibi Price	15¾	15⅞
Agnico Eagle	7¾	7¾
Air Canada	10⅛	10⅛
Alberta Energy	15⅝	16⅛
Am Barrick Res	21⅛	20⅝
BCE	39¼	39⅝
BCED	0.36	0.39
Bk Nova Scotia	14	13⅝
BC Gas	15	14⅝
BC Phone	18⅝	18⅝
BP Canada	18¼	N.Q.
Bramalea	12½	12¼
Brunswick	9	N.Q.
CAE	6⅜	6⅝
Campeau	1.56	1.60
CIBC	27⅝	26¼
Canadian Pacific	20¼	20½
Can Packers	11½	12
Can Tire A	20	20½
Cantor	28	27⅞
Cara	17	17
CCL Ind B	9⅛	9⅝
Cineplex	6¼	6
Cominco	25⅝	25⅝
Conwest Expl A	14⅝	N.Q.
Corona A	7	6.80
Denison Min B	1⅛	1.20
Dickenson Min A	N.Q.	4.30
Dofasco	22½	22⅝
Dylex A	3.95	3.95
Echo Bay Mines	14⅝	14½
Equity Silver A	1.73	1.65
FCA Int'l	10¾	N.Q.
Fed Ind A	13⅝	N.Q.
Fletcher Chall A	16⅝	15⅝
FPI	5½	5
GoldCorp	4½	4¼
Gulf Cda Res	15½	15½
Hees Int'l	24⅝	24½
Hemlo Gld Mines	12⅝	12⅝
Hollinger	13	13
Horsham	10⅛	10⅛
Hudson Bay	5⅛	N.Q.
Imasco	36½	36⅝
Inco	31⅞	31⅞
Interhome	48⅝	48⅞
Jannock	16¼	16
Labatt	21⅝	21¾
Loblaw Co	16½	16¼
Mackenzie	7⅞	7⅞
Magna Int'l A	3.45	3.65
Maritime	17	16⅝
Mark Res	11¼	N.Q.
MacLean Hunt X	9⅝	N.Q.
Molson A	39	39⅛
Noma Ind A	8⅛	8⅛
Noranda	19⅞	20
Noranda Forest	11⅛	11½
Norcen Energy	24⅝	24⅝
Nova Corp	8⅝	8½
Oshawa	30⅛	31
Pagurian A	7⅛	7⅛
Placer Dome	17⅛	17⅛
Poco Petroleum	6⅜	6½
PWA Corp	9⅛	9⅝
Quebec Sturgeon	0.85	0.85
Rayrock	7⅛	N.Q.
Renaissance	14⅝	14
Rogers B	8	8
Rothmans	67½	N.Q.
Royal Bank Can	23⅛	22⅝
Royal TrustCo	15	14⅛
Sceptre Res	3.55	3.60
Scott's Hosp	N.Q.	—
Seagram	97	97
Sears Can	11⅛	11¾
Shell Can	38⅝	38
Sherritt Gordon	7½	N.Q.
SHL Systemhse	8¼	8¼
Southam	25⅞	N.Q.
Spar Aerospace	9	8½
Stelco A	16⅜	16⅝
Teck B	23⅛	23¼
Thomson News	15⅝	15½
Toronto Dom	18⅞	17⅝
Torstar B	27⅝	27½
Transalta Util	12⅜	12⅝
TransCda Pipe	N.Q.	16⅛
Trilon Finl A	17⅝	17⅝
Trimac	6⅝	6⅝
Trizec A	18⅜	18⅛
Turbo Resources	0.44	0.43
Unicorp A	N.Q.	—
Woodward's Ltd	1.35	1.35

TSE 300 Index : 3591.50
Previous : 3585.60

Zurich

	Close	Prev.
Adia Int'l	1540	1500
Alusuisse	1485	1465
Bank Leu	2470	2500
Brown Boveri	5975	5975
Ciba Geigy	3410	3380
CS Holding	2480	2470
Elektrow	3530	3530
Fischer	2250	2230
Interdiscount	4520	4420
Jacobs Suchard	8300	8300
Jelmoli	2300	2300
Landis Gyr	1430	1445
Moevenpick	5800	5730
Nestle	8850	8875
Oerlikon-B	1010	1010
Pargesa Hld	1500	1490
Roche Holding B	4245	4230
Sandoz	2240	2220
Schindler	N.A.	—
Sulzer	750	760
Surveillance	5600	5700
Swissair	980	975
SBC	313	312
Swiss Reinsur	614	616
Swiss Volksbank	1655	1640
Union Bank	3570	3550
Winterthur	4230	4220
Zurich Ins	2110	2120

SBS Index : 677.10
Previous : 675.90

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U.S. FUTURES

Via Associated Press June 27

Grains

Season High	Season Low		Open	High	Low	Close	Chg.
WHEAT (CBT) 5,000 bu minimum-dollars per bushel							
3.85	3.26	Jul	3.34	3.35½	3.33	3.33¼	—.00¾
3.73	3.31½	Sep	3.38¼	3.40	3.37¼	3.37½	—.00¾
3.80	3.45½	Dec	3.52¾	3.53¾	3.51¼	3.51½	—.00½
3.85	3.51	Mar	3.58	3.59½	3.57	3.57¾	—.00½
3.73	3.45	May	3.54½	3.55½	3.52½	3.52½	—.01
3.63	3.30	Jul	3.49¾	3.49¾	3.47	3.47½	+.00½
Est. Sales		Prev. Sales 10,849					
Prev. Day Open Int. 64,347 off 931							
CORN (CBT) 5,000 bu minimum-dollars per bushel							
2.93¾	2.31	Jul	2.87½	2.90	2.86	2.87	+.01¼
2.91	2.29	Sep	2.84½	2.87	2.84	2.84½	+.00¾
2.87¼	2.22	Dec	2.84	2.85¾	2.83	2.83¾	+.00¾
2.92¾	2.41	Mar	2.91¼	2.93	2.90½	2.90¾	+.00¼
2.94	2.49¾	May	2.96	2.97½	2.95	2.95¼	
2.98	2.63	Jul	2.98	3.01½	2.97	2.97¼	—.00½
2.83¼	2.65	Sep	2.83	2.83½	2.82	2.82	+.00½
2.75	2.59	Dec	2.69	2.71½	2.68	2.68	
Est. Sales		Prev. Sales 44,510					
Prev. Day Open Int.237,922 off 5,325							
SOYBEANS (CBT) 5,000 bu minimum-dollars per bushel							
7.31	5.78	Jul	6.10¼	6.15	6.07½	6.08	
7.05	5.78	Aug	6.17	6.22½	6.15	6.15¼	+.00¾
6.76	5.68	Sep	6.24½	6.28	6.22	6.22	+.00½
6.82	5.64½	Nov	6.34	6.39¼	6.31½	6.32¼	+.01
6.91	5.87	Jan	6.45	6.50	6.44	6.44¼	+.01½
7.01	5.65½	Mar	6.55½	6.61	6.54½	6.54½	+.01½
7.06	6.14½	May	6.65½	6.70	6.64	6.64	+.00½
7.11	6.29	Jul	6.72	6.76	6.70	6.70	+.01½
6.59	6.51	Aug				6.69	+.01
6.57	6.30	Nov	6.58	6.59	6.55	6.55	
Est. Sales		Prev. Sales 58,965					
Prev. Day Open Int.112,855 off 2,300							
SOYBEAN MEAL (CBT) 100 tons-dollars per ton							
208.00	167.80	Jul	176.90	178.40	176.90	177.20	+.30
198.80	170.10	Aug	179.00	180.30	179.00	179.20	+.30
200.80	171.50	Sep	180.50	182.50	180.50	181.10	+.60
200.00	173.80	Oct	182.90	184.30	182.90	182.90	+.40
205.50	174.00	Dec	187.90	188.80	186.70	186.80	+.60
204.00	178.00	Jan	188.30	189.50	188.30	188.50	+1.00
212.00	181.80	Mar	191.50	192.00	191.00	191.50	+.90
208.00	184.50	May	194.00	194.00	192.00	192.80	+.50
209.00	186.00	Jul	195.00	196.00	193.50	193.50	+.40
Est. Sales		Prev. Sales 24,232					
Prev. Day Open Int. 70,291 off 447							
SOYBEAN OIL (CBT) 60,000 lbs-dollars per 100 lbs.							
25.80	19.50	Jul	24.10	24.22	23.91	24.02	—.04
25.15	19.50	Aug	24.00	24.12	23.82	23.93	—.01
24.80	19.50	Sep	23.85	24.06	23.80	23.85	+.04
24.35	19.65	Oct	23.75	23.95	23.70	23.72	+.07
24.12	19.75	Dec	23.60	23.80	23.55	23.61	+.09
23.95	19.81	Jan	23.48	23.62	23.45	23.47	+.12
23.81	19.82	Mar	23.33	23.50	23.30	23.30	+.10
23.70	20.15	May	23.45	23.45	23.10	23.12	—.03
23.70	21.05	Jul	23.15	23.25	23.00	23.00	+.05
		Aug				23.00	+.08
Est. Sales		Prev. Sales 17,758					
Prev. Day Open Int.102,301 off 1,756							

Livestock

Season High	Season Low		Open	High	Low	Close	Chg.
CATTLE (CME) 40,000 lbs.-cents per lb.							
74.92	69.12	Aug	72.97	73.32	72.85	73.15	+.15
76.85	68.30	Oct	73.87	75.42	74.87	75.25	+.20
76.60	71.80	Dec	74.65	75.00	74.52	74.87	+.15
76.15	72.50	Feb	74.48	74.75	74.35	74.62	+.22
77.00	74.15	Apr	75.40	75.75	75.60	75.67	+.17
74.60	72.42	Jun	72.85	72.92	72.85	72.85	+.23
Est. Sales 11,420		Prev. Sales 10,100					
Prev. Day Open Int. 70,188 up 877							
FEEDER CATTLE (CME) 44,000 lbs.-cents per lb.							
85.97	78.50	Aug	84.55	84.65	84.15	84.20	—.35
84.95	78.00	Sep	83.37	83.55	83.25	83.30	—.15
84.35	78.20	Oct	82.97	83.10	82.70	82.75	—.22
84.40	79.00	Nov	83.10	83.30	82.90	82.90	—.20
84.05	79.75	Jan	83.15	83.15	82.90	82.95	—.35
82.75	80.90	Mar	82.00	82.00	82.00	82.00	—.10
82.50	81.35	Apr	81.85	81.85	81.85	81.97	
82.40	81.70	May	81.75	81.75	81.65	81.65	—.15
Est. Sales 885		Prev. Sales 707					
Prev. Day Open Int. 10,450 off 169							
HOGS (CME) 30,000 lbs.-cents per lb.							
63.42	43.70	Aug	58.73	59.25	58.65	58.92	+.20
55.70	40.80	Oct	52.78	53.27	52.62	52.90	+.35
55.45	44.25	Dec	51.75	52.20	51.67	51.82	+.17
52.95	45.25	Feb	49.20	49.35	49.00	49.40	+.33
48.80	45.15	Apr	46.20	46.35	45.90	46.05	+.05
51.85	48.80	Jun	49.45	49.60	49.25	49.25	
60.60	59.20	Jul	60.50	60.92	60.30	60.77	+.32
Est. Sales 9,652		Prev. Sales 10,133					
Prev. Day Open Int.114,173 up 75,896							
PORK BELLIES (CME) 40,000 lbs.-cents per lb.							
71.40	39.95	Jul	57.40	59.15	57.35	59.15	+2.00
69.15	39.30	Aug	56.50	58.35	56.35	58.20	+1.95
63.65	48.07	Feb	55.55	57.05	55.15	56.65	+1.43
62.95	50.30	Mar	55.02	56.75	54.85	56.20	+1.38
63.00	54.60	May	55.55	56.60	55.55	56.72	+1.42
Est. Sales 5,466		Prev. Sales 7,871					
Prev. Day Open Int. 12,467 off 743							

Food

Season High	Season Low		Open	High	Low	Close	Chg.
COFFEE C (NYCSCE) 37,500 lbs.-cents per lb.							
132.25	74.85	Jul	84.25	86.70	84.25	85.70	+.90
120.00	77.25	Sep	87.10	89.20	87.10	88.25	+.80
109.50	81.00	Dec	90.60	92.25	90.60	91.45	+.75
116.75	83.00	Mar	93.45	95.00	93.45	94.25	+1.00
123.00	91.25	May	96.00	97.00	96.00	96.00	+.75
110.00	92.75	Jul				98.00	+.85
108.90	99.00	Sep				99.90	+.75
Est. Sales		Prev. Sales 6,363					
Prev. Day Open Int. 39,088 up 593							
SUGARWORLD 11 (NYCSCE) 112,000 lbs.-cents per lb.							
16.27	10.55	Jul	12.45	12.70	12.45	12.66	+.28
16.13	10.40	Oct	12.42	12.61	12.42	12.51	+.24
15.22	11.45	Mar	12.15	12.28	12.13	12.15	+.20
15.05	11.45	May	12.20	12.25	12.13	12.13	+.22
14.90	11.54	Jul	12.18	12.19	12.11	12.11	+.26
14.40	11.72	Oct	12.04	12.07	12.04	12.05	+.20
Est. Sales 33,867		Prev. Sales 15,542					
Prev. Day Open Int.155,415 off 1,865							
COCOA (NYCSCE) 10 metric tons-$ per ton							
1525	921	Jul	1248	1248	1222	1222	—4
1541	941	Sep	1253	1274	1238	1240	—1
1558	965	Dec	1287	1305	1273	1276	—2
1581	985	Mar	1318	1333	1304	1304	—2
1572	1000	May				1326	—2
1590	1060	Jul	1361	1361	1355	1346	—2
1515	1300	Sep				1368	—1
Est. Sales 5,596		Prev. Sales 4,378					
Prev. Day Open Int. 49,427 up 1							
ORANGE JUICE (NYCE) 15,000 lbs.-cents per lb.							
205.50	123.00	Jul	180.50	184.40	180.40	182.20	—.80
202.00	123.50	Sep	165.50	168.00	165.00	165.40	—2.90
199.50	124.00	Nov	162.00	162.50	160.00	160.00	—2.80
191.00	125.00	Jan	158.00	158.00	156.75	156.80	—3.30
190.50	168.00	Mar	157.50	157.50	156.00	156.75	—3.35
190.00	158.00	May	157.00	157.00	157.00	156.25	—3.35
180.00	180.00	Jul				156.25	—3.35
Est. Sales		Prev. Sales 2,844					
Prev. Day Open Int. 10,804 up 161							

Metals

Season High	Season Low		Open	High	Low	Close	Chg.
HI GRADE COPPER 25,000 lbs.-cents per lb.							
123.00	95.20	Jun	109.50	110.35	109.50	110.35	+1.90
119.25	93.25	Jul	109.30	110.25	109.10	110.00	+1.65
113.50	95.00	Aug	108.70	109.50	108.40	109.50	+1.70
113.30	92.50	Sep	107.50	108.10	107.20	108.00	+1.55
109.50	94.50	Oct	106.75	106.75	106.75	106.75	+1.80
107.70	94.50	Nov				105.80	+1.85
110.00	91.50	Dec	104.00	104.30	103.50	104.30	+1.70
105.00	94.00	Jan				103.15	+1.20
103.00	99.50	Feb				101.90	+1.80
106.00	92.30	Mar	100.65	100.65	100.50	100.80	+1.65
101.00	99.85	Apr				100.00	+1.40
103.40	97.00	May	99.20	99.20	99.20	99.30	+1.40
99.70	96.50	Jul				98.05	+1.40
97.75	95.50	Sep				97.15	+1.40
96.50	94.50	Dec				95.95	+1.40
		Jan				94.95	+1.40
96.50	96.50	Mar				94.15	+1.40
Est.Sales 4,900		Prev.Sales 9,504	Prev.Day Open Int. 29,082				+821
ALUMINUM (COMEX) 40,000 lbs.-cents per lb.							
75.00	73.00	Jun				69.50	—1.50
95.50	66.00	Jul	69.50	69.50	69.50	69.50	—1.50
75.00	73.00	Aug				69.50	—1.50
76.00	74.50	Sep				71.00	—.50
73.00	73.00	Dec				71.00	—.50
73.00	73.00	Jan				71.00	—.50
75.00	75.00	Mar				71.00	—.50
73.00	73.00	May				71.00	—.50
75.00	73.00	Jul				71.00	—.50
		Sep				71.00	—.50
75.00	75.00	Dec				71.00	—.50
73.00	73.00	Jan				71.00	—.50
75.00	73.00	Mar				71.00	—.50
Est. Sales 23		Prev. Sales					
Prev. Day Open Int.							
SILVER (COMEX) 5,000 troy oz.-cents per troy oz.							
524.0	474.0	Jun				479.4	—2.6
761.5	473.5	Jul	480.0	485.5	479.0	479.5	—3.0
511.0	511.0	Aug				484.4	—3.0
760.0	481.0	Sep	487.0	493.5	487.0	487.5	—3.0
742.0	492.0	Dec	500.0	504.5	498.0	498.5	—3.0
688.0	499.0	Jan	505.5	505.5	505.5	501.7	—3.0
665.0	503.5	Mar	509.5	513.0	508.0	509.0	—3.0
647.0	514.0	May	519.5	519.5	519.5	516.3	—3.0
667.5	522.0	Jul	528.0	528.0	527.5	523.7	—3.0
654.0	530.0	Sep	535.0	535.0	535.0	531.4	—3.0
623.5	540.0	Dec	545.0	545.0	545.0	543.0	—3.0
596.0	546.0	Jan				546.4	—3.0
613.0	565.0	Mar	559.0	559.0	559.0	555.1	—3.0
Est. Sales 33,000		Prev. Sales 29,289					
Prev. Day Open Int.107,793 up 924							
PLATINUM (NYME) 50 troy oz.-dollars per troy oz.							
554.00	465.00	Jul	480.00	483.00	479.00	481.80	+1.80
560.50	473.00	Oct	486.00	488.50	485.00	487.50	+1.80
551.00	484.00	Jan	491.00	493.50	491.00	493.30	+1.90
534.50	488.20	Apr				498.40	+1.90
528.50	495.00	Jul				503.80	+1.90
Est. Sales 3,181		Prev. Sales 2,481					
Prev. Day Open Int. 14,020 up 10							
PALLADIUM (NYME) 100 troy oz-dollars per oz							
149.50	111.65	Sep	113.40	113.75	113.25	113.75	+.40
147.00	111.50	Dec	114.80	114.80	114.75	115.05	+.40
142.00	116.50	Mar				116.55	+.40
125.25	117.50	Jun				118.05	+.40
Est. Sales 218		Prev. Sales 372					
Prev. Day Open Int. 5,451 up 129							
GOLD (COMEX) 100 troy oz.-dollars per troy oz.							
497.00	346.00	Jun	351.30	351.50	350.50	351.40	+1.00
379.50	356.00	Jul				351.40	+.80
487.00	348.20	Aug	353.30	354.00	352.50	353.20	+.30
472.00	352.50	Oct	357.00	358.30	356.90	357.50	+.20
455.50	357.00	Dec	362.00	362.80	361.20	361.90	+.20
457.50	362.00	Feb	366.40	367.50	366.40	366.40	+.20
460.90	366.20	Apr	371.50	371.50	371.50	370.80	+.20
444.20	372.00	Jun	376.40	376.40	376.40	375.40	+.20
468.00	375.80	Aug				380.00	+.30
476.00	385.00	Oct				384.40	+.30
483.00	385.50	Dec				389.40	+.40
439.00	372.00	Feb	394.40	394.40	394.40	394.30	+.40
412.50	394.50	Apr				399.00	+.40
Est. Sales 23,000		Prev. Sales 20,577					
Prev. Day Open Int.116,379 up 1,039							

Financial

Season High	Season Low		Open	High	Low	Close	Chg.
US T. BILLS (IMM) $1 million-pts of 100 pct.							
		Jun	92.20	92.20	92.19	92.20	
93.45	91.10	Sep	92.41	92.44	92.39	92.44	+.04
93.45	91.28	Dec	92.45	92.46	92.44	92.46	+.02
93.32	91.61	Mar	92.42	92.42	92.41	92.41	—.05
93.20	91.66	Jun	92.22	92.23	92.22	92.23	—.05
92.70	91.52	Sep	92.44	92.44	92.44	92.44	—.01
Est. Sales 3,171		Prev. Sales 5,901					
Prev. Day Open Int. 19,333 up 758							
10 YR. TREASURY (CBT) $100,000 prin-pts & 32nds of 100 pct							
100-14	92-24	Sep	96-5	96-13	96-4	96-11	+7
97	94-9	Dec	96-4	96-9	96-2	96-8	+7
96-23	94-20	Mar				96-5	+7
Est. Sales		Prev. Sales 21,746					
Prev. Day Open Int. 73,816 off 504							
US TREASURY BONDS (CBT) (8 pct-$100,000-pts & 32nds of 100 pct)							
100-4	79-1	Sep	93-9	93-16	93-4	93-15	+10
99-24	88	Dec	93-20	93-6	92-26	93-5	+9
99-12	79-21	Mar	92-23	92-29	92-23	92-29	+8
99-4	82-18	Jun	92-16	92-24	92-16	92-21	+7
99-5	84-4	Sep	92-9	92-14	92-9	92-14	+6
98-20	87-19	Dec				92-8	+6
98-13	87-18	Mar	92-1	92-2	91-31	92-2	+6
97-19	87-19	Jun				91-29	+6
92-12	87-14	Sep				91-24	+6
Est. Sales		Prev. Sales 341,499					
Prev. Day Open Int.270,397 up 758							
MUNICIPAL BONDS (CBT) $1000x index-pts & 32nds of 100 pct							
95-11	86-21	Sep	90-18	90-22	90-6	90-22	+14
91-2	86-30	Dec				90-5	+14
Est. Sales		Prev. Sales 3,082					
Prev. Day Open Int. 5,986 up 99							
EURODOLLARS (IMM) $1 million-pts of 100 pct.							
92.39	88.74	Sep	91.71	91.75	91.70	91.74	+.04
92.15	89.85	Dec	91.66	91.70	91.64	91.69	+.05
92.01	89.96	Mar	91.61	91.64	91.59	91.63	+.05
91.85	89.91	Jun	91.42	91.45	91.41	91.45	+.05
91.83	90.04	Sep	91.26	91.31	91.26	91.31	+.05
91.78	90.04	Dec	91.13	91.16	91.12	91.16	+.05
91.82	90.09	Mar	91.09	91.10	91.06	91.11	+.05
91.76	90.25	Jun	90.97	91.01	90.97	91.01	+.05
91.72	90.32	Sep	90.89	90.93	90.89	90.94	+.05
91.53	90.24	Dec	90.76	90.80	90.76	90.81	+.05
91.45	90.28	Mar	90.72	90.76	90.72	90.77	+.05
91.51	90.27	Jun	90.63	90.68	90.63	90.68	+.05
91.47	90.27	Sep	90.58	90.61	90.58	90.62	+.03
91.37	90.23	Dec	90.52	90.54	90.52	90.55	+.03
90.77	90.24	Mar	90.52	90.52	90.52	90.55	+.03
90.53	90.44	Jun	90.50	90.50	90.49	90.50	+.02
Est. Sales		Prev. Sales 149,448					
Prev. Day Open Int.629,264 up 6,397							

Currencies

Season High	Season Low		Open	High	Low	Close	Chg.
BRITISH POUND (IMM) $ per pound-1 point equals $0.0001							
1.7700	1.5290	Sep	1.7188	1.7224	1.7170	1.7186	+32
1.6912	1.5440	Dec	1.6946	1.6950	1.6926	1.6934	+28
1.6610	1.6610	Mar				1.6720	+24
Est. Sales		Prev. Sales 9,643					
Prev. Day Open Int. 24,467 up 950							
CANADIAN DOLLAR (IMM) $ per dlr-1 point equals $0.0001							
.8470	.8050	Sep	.8436	.8457	.8433	.8455	+22
.8420	.8050	Dec	.8337	.8362	.8337	.8357	+23
.8365	.7990	Mar	.8260	.8272	.8260	.8282	+24
.8399	.7995	Jun	.8194	.8204	.8194	.8211	+25
.8150	.7985	Sep				.8147	+26
Est. Sales		Prev. Sales 7,945					
Prev. Day Open Int. 28,237 off 274							
GERMAN MARK (IMM) $ per mark-1 point equals $0.0001							
.6155	.5525	Sep	.6014	.6029	.6002	.6016	+4
.6150	.5789	Dec	.6015	.6022	.6000	.6012	+2
.6140	.5820	Mar	.6020	.6020	.6003	.6006	
Est. Sales		Prev. Sales 56,045					
Prev. Day Open Int. 55,416 up 8,416							
JAPANESE YEN (IMM) $ per yen-1 point equals $0.000001							
.007390	.006268	Sep	.006499	.006499	.006486	.006491	+14
.007080	.006290	Dec	.006510	.006510	.006501	.006503	+14
.006705	.006315	Mar				.006517	+14
Est. Sales		Prev. Sales 23,545					
Prev. Day Open Int. 49,296 up 3,063							
SWISS FRANC (IMM) $ per franc-1 point equals $0.0001							
.7202	.6050	Sep	.7106	.7123	.7076	.7087	—57
.7197	.5600	Dec	.7105	.7120	.7075	.7085	—58
.7165	.6500	Mar	.7085	.7085	.7085	.7090	—59
.7085	.6916	Sep	.7110	.7110	.7110	.7110	—58
Est. Sales		Prev. Sales 31,733					
Prev. Day Open Int. 39,001 up 5,357							

Industrials

Season High	Season Low		Open	High	Low	Close	Chg.
LUMBER (CME) 150,000 bd. ft.-$ per 1,000 bd. ft.							
207.70	177.50	Jul	203.60	203.70	202.30	203.50	—.90
207.10	192.00	Sep	203.50	204.20	202.70	203.60	—1.10
203.10	189.90	Nov	200.30	201.50	199.70	201.40	—.30
205.50	186.30	Jan	204.80	204.80	204.00	204.20	—.80
206.10	191.00	Mar				204.60	
204.60	196.50	May	203.90	203.90	203.90	203.90	—.20
Est. Sales 825		Prev. Sales 787					
Prev. Day Open Int. 4,471 up 40							
COTTON 2 (NYCE) 50,000 lbs.-cents per lb.							
86.40	63.70	Jul	86.85	87.50	86.80	87.18	+.87
78.55	63.95	Oct	78.10	78.35	77.60	77.70	—.48
74.79	62.80	Dec	74.15	74.45	73.75	73.83	—.42
75.35	63.82	Mar	74.95	75.15	74.50	74.50	—.55
75.30	64.40	May	75.10	75.20	74.81	74.77	—.50
77.40	65.67	Jul	75.00	75.10	74.70	74.70	—.30
69.00	67.70	Oct				70.80	
68.90	67.25	Dec	68.80	68.80	68.80	68.80	+.20
Est. Sales 5,000		Prev. Sales 5,767					
Prev. Day Open Int. 37,178 off 753							
HEATING OIL (NYME) 42,000 gal-cents per gal							
57.20	46.30	Jul	48.20	48.30	47.80	48.05	—.44
57.40	47.20	Aug	48.60	48.60	48.10	48.35	—.51
58.00	48.00	Sep	49.90	49.95	49.50	49.80	—.42
58.50	50.30	Oct	51.15	51.30	50.85	51.00	—.46
59.40	51.15	Nov	52.35	52.50	52.20	52.30	—.31
60.15	52.70	Dec	53.35	53.60	53.20	53.60	—.04
60.40	53.25	Jan	53.80	54.00	53.65	53.80	—.34
60.00	53.00	Feb	53.60	53.75	53.35	53.30	—.39
56.75	51.30	Mar	51.85	52.00	51.80	51.80	—.34
53.90	50.00	Apr	50.30	50.30	50.20	50.30	—.04
53.15	49.00	May	49.10	49.60	49.10	49.60	+.35
51.80	48.80	Jun	48.92	48.93	48.92	48.93	+.10
50.80	49.00	Jul	48.60	48.93	48.55	48.65	—.23
Est. Sales 21,703		Prev. Sales 17,233					
Prev. Day Open Int.							
CRUDE OIL (NYME) 1,000 bbl.-dollars per bbl.							
21.63	14.39	Aug	17.05	17.07	16.65	16.67	—.47
21.52	16.50	Sep	17.73	17.75	17.35	17.38	—.43
21.46	16.50	Oct	18.22	18.23	18.00	18.00	—.29
21.48	17.30	Nov	18.50	18.56	18.39	18.39	—.21
21.50	12.80	Dec	18.85	18.85	18.65	18.65	—.20
21.45	17.87	Jan	19.06	19.06	18.80	18.80	—.22
21.35	18.15	Feb	19.07	19.10	18.95	18.95	—.20
21.43	18.40	Mar	19.21	19.22	19.16	19.22	—.04
21.55	18.03	Apr	19.27	19.27	19.27	19.27	—.08
21.45	18.03	May	19.35	19.36	19.35	19.36	—.07
21.45	16.65	Jun	19.40	19.45	19.32	19.35	—.15
21.45	17.08	Jul	19.50	19.58	19.46	19.58	+.02
20.62	19.43	Oct	19.65	19.65	19.65	19.65	—.06
Est. Sales 80,581		Prev. Sales 54,834					
Prev. Day Open Int.272,198 off 1,268							

Stock Indexes

Season High	Season Low		Open	High	Low	Close	Chg.
SP COMP. INDEX (CME) points and cents							
374.90	329.00	Sep	355.75	360.70	355.00	359.45	+3.50
378.90	333.50	Dec	360.10	365.10	359.70	363.95	+3.45
383.20	343.30	Mar	364.40	368.40	363.70	367.90	+3.45
Est. Sales		Prev. Sales 43,813					
Prev. Day Open Int.103,246 off 1,372							
VALUE LINE (KCBT) points and cents							
297.90	272.00	Sep	283.60	286.20	283.20	285.65	+1.65
302.10	279.30	Dec	287.50	289.75	287.50	289.65	+1.50
303.80	280.00	Mar				293.90	+1.60
Est. Sales		Prev. Sales 95					
Prev. Day Open Int. 1,257 up 12							
NYSE COMP. INDEX (NYFE) points and cents							
209.00	181.00	Sep	194.40	197.05	194.10	196.35	+1.80
206.50	185.75	Dec	197.35	199.00	197.25	198.70	+1.80
206.00	193.15	Mar				201.05	+1.80
		Jun				203.40	+1.80
Est. Sales		Prev. Sales 7,100					
Prev. Day Open Int. 4,394 up 31							

Commodity Indexes

	Close	Previous
Moody's	1,142.20 f	1,139.30 f
Reuters	1,857.30	1,833.80
D.J. Futures	130.97	130.97
Com. Research	224.83	224.45

Moody's : base 100 : Dec. 31, 1931.
p - preliminary; f - final
Reuters : base 100 : Sep. 18, 1931.
Dow Jones : base 100 : Dec. 31, 1974.

Market Guide

CBT:	Chicago Board of Trade
CME:	Chicago Mercantile Exchange
IMM:	International Monetary Market Of Chicago Mercantile Exchange
NYCSCE:	New York Cocoa, Sugar, Coffee Exchange
NYCE:	New York Cotton Exchange
COMEX:	Commodity Exchange, New York
NYME:	New York Mercantile Exchange
KCBT:	Kansas City Board of Trade
NYFE:	New York Futures Exchange

NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

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(Continued on Page 15)

NYSE Highs-Lows

NEW HIGHS 37

AbbottLab s | AlRich 3pr | Avemco | BauschLmb
BeneloneGe | BerlitzIn n | BlockHR | Circus
Cola Palm | Endesa | Foxboro | GerberProd s
GlfSU 440pf | GMSU dep pf | Hershey | Hormel s
Humana | HuntgtnIll | Kyocera | Lubys
MarshInd | Milton Roy | MorrisRec | OcciPetHm
PepsiCo | vIPSNH pf | vIPSNH pfB | vIPSNH 375p
vIPSNH 345p | Safeway n | Safeway wi | Stanhome
TDK Co s | Unilever | UnitvrsNV | UnitvPas s
ValeroEn pf

NEW LOWS 57

AdvestGrp | AmBrands | AmpcoPitt | Amrainc
Anheny s | Armcolnc pf | BattleMt | Bunker Hill
CNA InsStr | CdnPac g | CareerCom | ChasMan pfG
CityNtlCp s | CmElEd 4prB | CoreaFrght | DimeSvNY
EDO Corp | Fedmk 2ptpf | FirstMtg | FtCtyBcp
FtCtyBcp pf | FrancoGtn | FrnkMutl n | gtGF Corp
GelcoInt.Lew | GnDynam | Goodyear | Guilford
HormonInt | Hortmarx | Hilbernia | HighInc III
IntlMing | Jakarta n | Monsanto s | Morgan adjpf
Noeast Util | OlinCp | Orient Exp | OrionPict
OverShip | Pennzoil | Quantum | Reece Co
ReichTang | Rytand | Showboat | SmithCoron n
SouNEngTl s | Sweat PSvc | Syntex | SysDist
TxPacLd | TmsntlHld n | UDC Devl pf | UDomind s
WestCo

AMEX Highs-Lows

NEW HIGHS 12

AmPrecis s | AmTr-bny prm | AmTr-Inl sc | AmTr-mrk prm
CondcoWineB | CashAmer s | DeliElect | DesignInc
GrahamFld | LazareKap | SunSurNJ | UtdMedic

NEW LOWS 18

Alrcraft11 | AmTr-mrk un | Baldwin Sec | FstConn SB
Firstcorp | FriesEnt | GabrlCabl | IAL Inc
InfFinSvc | KanwinSh | Lionel | OpalIbrPr
OrioleHme A | PetersJM | TempleGlbUtl | TrlandHme
Unimar | Veronex

The Daily Source for International Investors.

Herald Tribune

Data Eases Recession Fears

The Associated Press

WASHINGTON — The main U.S. gauge for economic forecasting rose 0.8 percent in May, another indication that the economy will skirt a recession this year, the government reported Wednesday.

The Commerce Department report also contained an ominous note. The largest negative among the 11 forward-looking indicators was an index measuring consumer confidence.

Seven of the components were positive: a longer average workweek, an increase in the price of raw materials, a larger amount of orders for consumer goods, higher stock prices, a decrease in the weekly unemployment claims, slower business delivery times and an increase in orders for new plants and equipment.

In addition to the drop in consumer confidence, the other negatives were a decrease in the money supply, a smaller number of building permits and a drop in unfilled manufacturing orders.

The various changes left the index at 146.2 percent of its 1982 base of 100 and up 1.1 percent from its level a year ago.

The Index of Leading Economic Indicators is designed to forecast economic activity six to nine months in advance.

If the economy continues to grow through November, it will reach its eighth year of expansion, the longest in peacetime history.

The report provided further evidence that Americans are becoming more cautious in spending, which accounts for two-thirds of the economic activity. As consumer spending appeared to pause, analysts point to business investment and overseas demand for U.S. goods as a major stimulus for continued growth.

The leading indicators were released as White House and congressional leaders were preparing to resume negotiations on a plan to reduce the deficit, a move that would require continued economic growth. A recession would make that task much more difficult.

Many economists are growing anxious over the slowing contributions of American consumers. The confidence index was negative in January and February and unchanged in March. It posted a slim gain in April. Analysts have blamed a poor job market and weak wage gains.

Retail sales have fallen for three straight months through May, the first time that has happened since 1981. Retail sales represent about half of consumer spending.

While consumers may be pulling back, recent reports indicate that the manufacturing sector may have bottomed out. Big-ticket durable goods orders were up 3.9 percent in May, while industrial production posted a 0.6 percent increase.

The automobile and housing industries continue to be a drag on the economy, leaving exports one of the few bright spots.

The Commerce Department also said the index slipped a revised 0.1 percent in April.

U.S. and Japan Said to Have Trade Accord

The Associated Press

TOKYO — Talks between Japan and the United States on trade reforms apparently advanced late Wednesday on the crucial issue of increasing Tokyo's public works spending, officials said.

Prime Minister Toshiki Kaifu conveyed Japan's offer to President George Bush in a telephone call late Wednesday night.

Foreign Ministry officials would not confirm reports that negotiators had agreed on 430 trillion yen ($2.77 trillion) in public works spending over the next 10 years.

A senior U.S. official complained that Japan had failed to show political will to match Mr. Bush's decision to increase revenues to cut the budget deficit.

RECESSION: *Bush's Pledge to Hike Tax Revenue Fuels Fears of Slump*

(Continued from first finance page)

it." He added, "I think there is a room for interest rates to fall a lot."

The Federal Reserve chairman, Alan Greenspan, and other Fed officials have rejected attempts to get them to agree in advance to reduce short-term interest rates if a deficit reduction deal is struck.

Mr. Greenspan has said that market forces would bring down long-term rates even without Fed action.

Most observers believe, however, that the Fed would move quickly to cut short-term rates.

For one thing, the Fed does not want the economy to slip into a recession even though it has raised rates as part of its effort to bring down inflation.

If spending cuts and tax increases depressed the economy, central bank officials do not want to be in the position of being blamed for a recession, should even a mild one follow.

Robert Ortner, who until last year was undersecretary of Commerce for economic affairs, agreed that a large deficit-reduction package would pose a threat to continued growth, but said he would not take such a step.

"The economy does not need a heck of a lot of tightening now," said Mr. Ortner, who is the author of a new book, "Voodoo Deficits," in which he argues that the worry about budget and trade deficits has been overdone.

Mr. Perry and other analysts who favor reducing the deficit believe it would improve the balance between America's savings, which have been running at unusually low levels for several years, and its investment needs, which must be financed either from U.S. savings or capital borrowed from abroad.

To the extent that the federal budget deficit absorbs a large share of U.S. saving, either investment must be cut back or more foreign capital borrowed.

One key to the response by markets will be whether a $50 billion or $55 billion cut for 1991 would be all there was to the agreement. "If $55 billion is all, it would disappoint me," Mr. Perry said. "If it is $55 billion growing to about $110 billion the next year, that would suit me just fine."

FUJI: *Nissan Conducts a Discreet Japanese Buyout of Auto Concern*

(Continued from first finance page)

array of sports cars, sedans and mini-vans, Fuji had only one car in the works, a mid-sized car called the Legacy that was introduced in the United States a year ago.

The car competes with the Honda Accord, the Toyota Camry and a variety of U.S. models.

A small manufacturing venture in Lafayette, Indiana, that Fuji opened last year with Isuzu is generally viewed as the weakest of the Japanese "transplants."

The Japanese market is not much better: Fuji remains enormously dependent on sales of "mini-cars" at a time when consumer tastes and now even tax policies and new parking regulations are chasing them off the roads.

Efforts to save companies here do not always work: Small companies often disappear, and sometimes no rescuer can be found.

That happened last year to Sansui, the stereo-equipment maker, which ultimately was sold to a British company in a rare foreign acquisition of a Japanese company.

But Fuji was too big to ignore.

Though its name suggests that it is one of Japan's broadly diversified makers of industrial equipment, its military, aerospace and railroad equipment subsidiaries account for only 20 percent of its business.

The rest is Subaru, and its business has gone from bad to miserable.

In the fiscal year ended in March, one in which most of Japan's car makers were hugely profitable, Fuji had an operating loss of 30 billion yen ($194 million).

Even Nissan admits to doubts about how to make the company viable: "I have pretty much a blank slate of ideas about what they will do now," said Yutaka Kume, Nissan's president. "But if there is a need for us to help, we will consider the possibility."

Mr. Kume is probably being modest about Nissan's role.

Nissan has had a special alliance with Fuji since 1968 and owns just over 4 percent of the car maker.

But its influence — and the influence of Industrial Bank of Japan, Fuji's biggest lender and holder of another 4 percent stake — is far greater than the holdings would suggest.

For nearly six months, as Fuji's troubles have deepened, Nissan and the Industrial Bank have been working out a carefully devised transfer of power at Fuji.

The first step, company insiders say, was to convince Toshihiro Tajima, Fuji's president, that the only way to gracefully bring in new management was for him to step aside, assuming a largely ceremonial role as chairman.

After some resistance he agreed, and that step will be completed on Thursday, at Fuji's annual meeting.

The newcomer to the job will be Isamu Kawai, Nissan's former managing director and the man credited with turning around Nissan Diesel Motor Co.

Neither executives would agree to an interview.

But other Fuji officials say they have high hopes that Mr. Kawai's experience will rescue the firm.

Some analysts see the move as the culmination of a power struggle between the Industrial Bank and Nissan over control of Fuji's fate.

Others reject that theory, but concede that it was a major mistake to have let the Industrial Bank put Mr. Tajima, a former executive of the bank who had no experience in automobile manufacturing, in charge of the company.

"It would be difficult for me to comment on our past executives," said Yoshio Hayafuji, the public affairs manager for Fuji.

"But we need somebody who can reconstruct the company. We need a closer relationship with production, product development and engineering at Nissan. Mr. Kawai is well versed in this kind of thing. When he came to Nissan Diesel, they were not in good shape — and now they are profitable."

Twenty years ago Fuji looked as if it could join the ranks of Japan's automotive heavyweights.

Until last year, it had never lost money in its 30 years.

In 1969, a year after it began its "cooperative" alliance with Nissan, it began exporting subcompacts to the United States and created a subsidiary, Subaru of America, to market its cars.

Although its marketing efforts were weak compared with its Japanese rivals, it sold more than 180,000 cars and trucks in 1986, just before the rise of the yen.

But last year Subaru shipped only 96,000 cars to the United States.

Part of the problem lay in Fuji's relationship with Subaru of America. Among Japanese car makers, Fuji was the only one that did not own 100 percent of its U.S. distribution arm (the remainder was publicly traded).

"The connections between Fuji and Subaru of America were not satisfactory," said Mr. Hayafuji.

Other auto makers say that should be no surprise: While the marketing arm was run by Americans, they had no seats — and no influence — on Fuji's all-Japanese board in Tokyo.

Mr. Hayafuji denies that was a problem, saying "few companies do that."

But a few months ago, Fuji announced that it would buy the rest of the shares outstanding in Subaru of America.

Subaru's plants are now greatly underutilized, which may explain why Nissan seems so eager to help: Nissan's plants are stretched to capacity, and there is speculation that Fuji could become a second source of Nissan production.

"My idea is that production and technology assistance are the easy part," said Mr. Kume when asked how Nissan could help the company. "The sales field and the U.S. operations are the most remote and difficult problems."

Equally complicated is the question of what to do with the manufacturing joint venture that Subaru and Isuzu own. The factory produces about 5,000 cars a month.

If things are bad in the U.S. market, they are not much better in Japan. Seventy percent of Fuji's Japanese sales come from mini-cars, a genre of automobiles never seen in the United States.

The cars are tiny hatchbacks favored by Japanese women who use them to go to the store or to transport children.

The government strictly limits their size and engine displacement, but they have one major attraction: Unlike owners of large cars, mini-car owners do not have to prove that they own a parking space.

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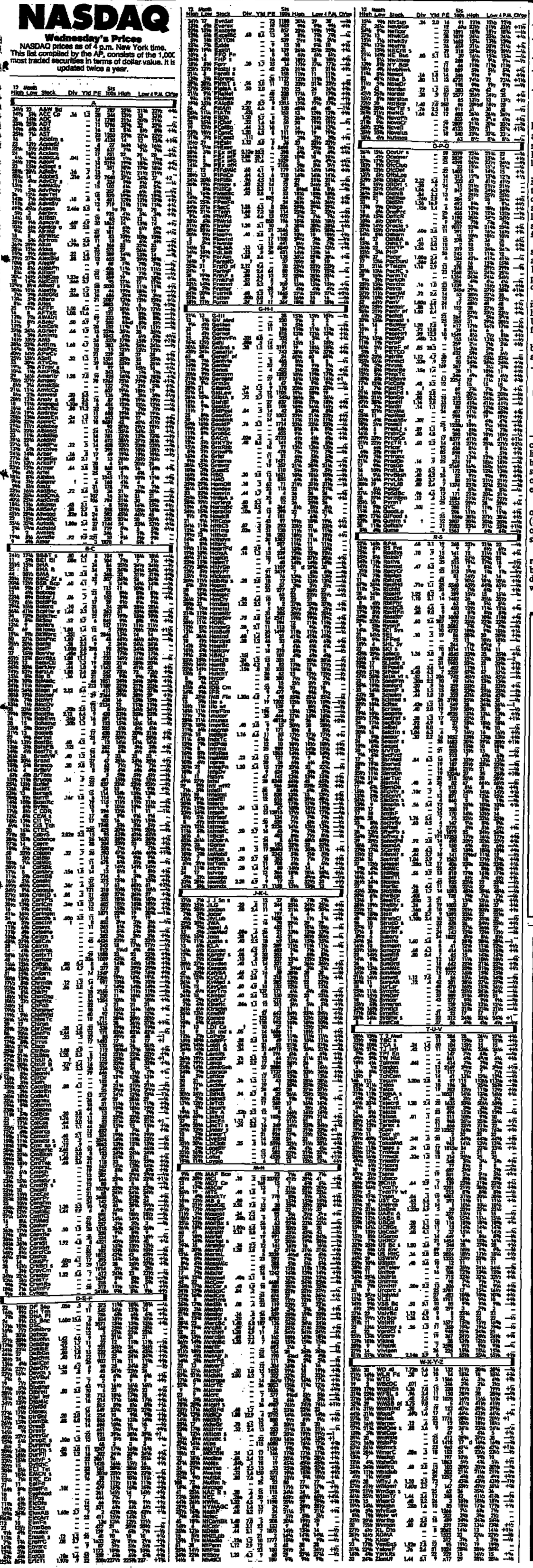
NASDAQ

Wednesday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.



Lloyd's Chairman Says Loss Is Likely for '89

Compiled by Our Staff From Dispatches

LONDON — Lloyd's of London had a sharp drop in profit in 1987, and the insurance market's chairman warned Wednesday that Lloyd's was likely to post a loss for last year.

Lloyd's, which reports three years in arrears because it waits for claims to come through before accounts are closed, said its pretax profit available to members was £509.16 million ($883.65 million) for the 1987 accounting year, compared with £649.46 million for 1986.

Murray Lawrence, the chairman, said the 1987 results were "reasonable." He said that although the 1988 year looked as if it would be profitable, 1989 is likely to show an overall loss.

Lloyd's said the results for 1987 included a provision for £230.1 million of "old" liability losses, such as U.S. pollution and asbestos claims from earlier years.

Premium income rose to £4.194 billion from £3.712 billion in 1986 and £3.056 million in 1985.

Mr. Lawrence said that relatively satisfactory results on marine insurance had been countered by a worsening of the trading situation in the nonmarine business.

Non-marine underwriting made a profit of £281.9 million after £385 million in 1986, mainly because of late settlement of pollution cases, particularly involving asbestos, which dated from before 1987.

Property insurance showed a profit of £300 million despite huge damage caused by a storm in southeast England in October 1987.

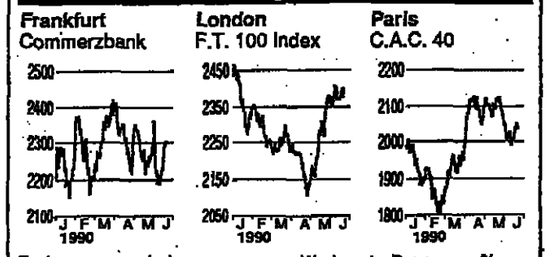
Mr. Lawrence said that if 1989 does show a loss, this would be the market's first since the mid-1960s.

The chairman said the figures for 1989 would be affected by record damages caused by several natural disasters including the U.S. hurricane designated Hugo and an earthquake in San Francisco.

The chairman said the start of 1990 had not been encouraging but prospects for the future were better.

(Reuters, AFP)

Investor's Europe



Exchange	Index	Wednesday Close	Prev. Close	% Change
Amsterdam	CBS Trend	121.10	121.50	-0.33
Brussels	Stock Index	6263.90	6250.27	+0.22
Frankfurt	Commerzbank	2301.90	2302.30	-0.02
Frankfurt	DAX	1901.46	1890.36	+0.59
Helsinki	UNITAS	552.50	556.30	-0.68
London	Financial Times 30	1902.60	1926.60	-1.25
London	FT-SE 100	2373.50	2399.80	-1.10
Madrid	General Index	293.69	292.30	+0.48
Milan	MIB	1089.80	1091.30	-0.14
Paris	CAC 40	2036.96	2053.40	-0.80
Stockholm	Affaersvaerlden	1311.50	1265.00	+3.68
Zurich	SBS	677.10	675.90	+0.18

Sources: AFP — International Herald Tribune

Continental Says Profit Will Fall

Reuters

HANNOVER, West Germany — Continental AG, following its competitors Goodyear and Michelin, expects 1990 group net profit to be lower because of increased pressure on tire prices, and its dividend could be cut as a result, the chief executive said Wednesday.

In 1989 the group reported a net of 227.8 million Deutsche marks ($135.68 million) and an unchanged dividend of 8 DM per share.

"Last year's figures cannot be repeated," the executive, Horst Urban, said in a speech prepared for delivery in Hannover. "Dividend will possibly also be affected."

Mr. Urban said in May that he expected 1990 group net to be similar to that of 1989.

On Tuesday, Goodyear Tire & Rubber Co. said it expected a second-quarter loss of up to $10 million, due to sluggishness in the auto market and to $35 million charges for restructuring its North American operations.

Continental also has interests in the lackluster U.S. market, where its General Tire subsidiary has taken a minority interest in Big O Tires Inc.

The chairman of Michelin & Co. of France, François Michelin, said Tuesday that the company expected to post a loss in 1990.

The Continental chief executive said tire prices agreed upon with customers in the car industry this year would in no way cover costs, and would represent a substantial burden on results.

Mr. Urban said group sales had risen by around 4 percent, to 3.4 billion DM, in the first five months of 1990.

Sales were expected to reach 9.5 billion DM in 1990 against 8.38 billion DM in 1989, and could exceed 10 billion DM for the first time in 1991, he said.

News of the expected profit decline and lower dividend weighed heavily on Continental's share price, dealers on the Frankfurt stock exchange said.

Continental opened 10 DM lower at 320, falling to 312 DM later in the day.

Krupp Posts Loss, Expects Gain in '90

Reuters

ESSEN, West Germany — Fried. Krupp GmbH, the big German steel and engineering concern, said Wednesday that it had a 452 million Deutsche mark ($267 million) loss last year, but would return to profitability this year.

The loss, due to extraordinary items, was more than double the 202.4 million DM loss recorded in 1988. Operating profits, however, nearly doubled to 409.9 million DM from 216.9 million DM in 1988. Sales rose to 17.7 billion DM from 14.7 billion DM.

Gerhard Cromme, management board chairman, said business showed a positive trend last year that continued in the first months of 1990.

Krupp said it expected to show profits in both its steel unit and the parent company this year and said some 90 percent of all activities would show distinct profits. Krupp's last net profit was the 42 million DM reported for 1987.

Mr. Cromme said operating profit in the first half of the present year would rise more than one-third from the period last year.

Krupp's 1989 results were due to an extraordinary loss of 704.8 million DM, of which 538 million DM was related to one-time events, the company said. These cover the cost of closing and selling plants and units, mostly from Krupp Industrietechnik, which has lost 1 billion DM in the last few years, Mr. Cromme said.

"The burdens from the past have been taken care of, the structure of the group in the main areas has been brought into line with future demands," he said.

Krupp's broad divestiture of loss-making units is reflected in a 520 million DM fall in company fixed assets to 3.2 billion DM.

Indosuez Aims To Buy Kitcat Broking House

Reuters

PARIS — Banque Indosuez is in talks to buy Royal Bank of Canada's troubled Kitcat & Aitken brokerage, an Indosuez spokesman said Wednesday.

"We are talking," he said in answer to queries on whether the French group, a wholly owned subsidiary of Compagnie de Suez, was negotiating to buy the U.K. broking house.

Kitcat announced last month that it was to close down.

The spokesman said Indosuez was interested in Kitcat because it would complement its existing U.K. activities.

The spokesman would not say whether Indosuez was in talks to buy more than the Kitcat & Aitken name. Most Kitcat employees have been given notice.

Société Générale to Buy Holding in Wagons-Lits

Compiled by Our Staff From Dispatches

BRUSSELS — The Belgian holding company Société Générale de Belgique said Wednesday that it planned to buy most of Groupe Bruxelles Lambert's stake in the Belgian travel and tourism company Wagons-Lits.

Générale, which is part of the Suez group of France, said in a statement it would buy a 19.5 percent stake in Wagons-Lits from Groupe Bruxelles. Générale may increase the stake to 26.75 percent by July 1, 1991, if it exercises an option to buy Groupe Bruxelles' remaining 7.25 percent share.

Générale, which is the main shareholder in the tourism and hotels company Accor, with 12.6 percent, will later create a holding company that will own the shares in Wagons-Lits, whose full name is Cie. Internationale des Wagons-Lits & du Tourisme SA. Accor will have a minority stake in the holding company.

The Wagons-Lits acquisition is a further broadening of range for Suez, which had focused primarily on banking since its prime asset — the Suez Canal — was nationalized by the Egyptian government in 1956 but has since been completely transformed by its takeovers. Those include the takeover of Générale in 1988 and of the French insurer Groupe Victoire last year.

Groupe Bruxelles has been shuffling assets since reducing its stake to 20 percent in Drexel Burnham Lambert Group Inc., which has filed for bankruptcy-law protection.

Générale said it would pay "considerably more" than the current Wagons-Lits share price for the stock.

March. *(Reuters, AFP)*

State of Israel

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June 28, 1990

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AMEX

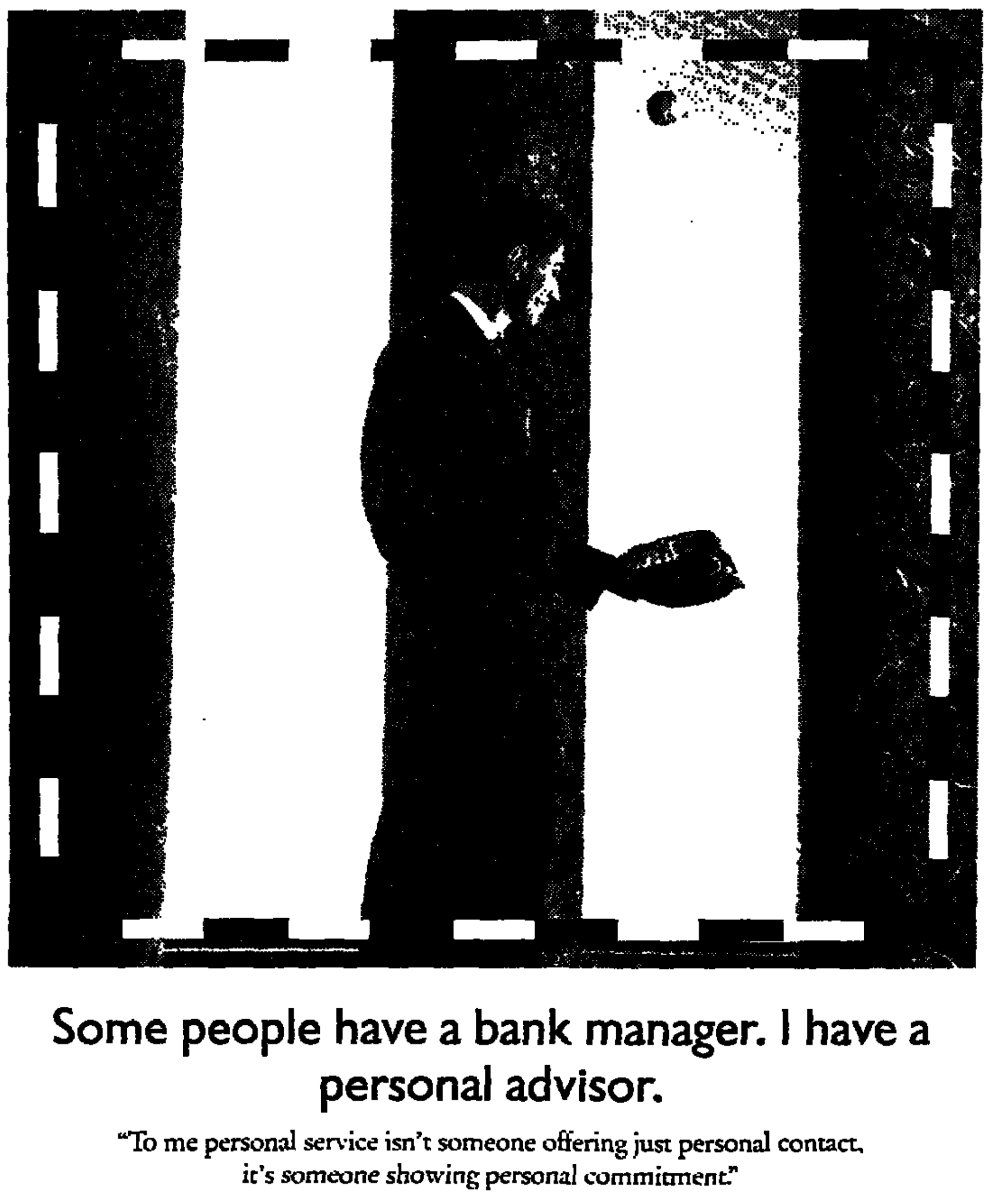
Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
A										
10½	8⅛	AIM Str	1.08	13.1	—	64	8½	8¼	8¼	— ⅛
4⅛	1⅜	AIM Tel	—	—	—	20	1⅞	1⅞	1⅞	—
12⅞	6⅛	AMC	—	—	—	83	8⅝	8⅛	8¼	— ⅛
2	½	AM I wt	—	—	—	1	¾	¾	¾	— ⅛
3	1⅜	AOI	.05e	2.7	—	2	1⅞	1⅞	1⅞	—
3¼	1	ARC	—	—	—	50	1½	1½	1½	—
25⅞	9¼	AT&E	—	—	—	7370	19	15⅝	16¼	—2
13⅞	7⅜	ATI	—	—	19	165	12½	12¼	12⅜	
62¼	49⅝	ATT Fd	2.41e	4.5	—	139	54⅝	52⅝	54⅛	— ⅛
16⅛	8⅛	Abiomd	—	—	—	12	9⅞	9⅞	9⅞	+ ⅛
12	4	AckCm n	—	—	—	108	4⅛	4⅛	4⅛	
4⅝	2	Action	—	—	18	15	3⅛	3⅛	3⅛	+ ⅛
21⅛	10⅞	Acton	—	—	10	10	11⅞	11⅜	11⅞	— ⅛
14¼	5⅞	AdvMed	—	—	—	139	10⅜	10½	10⅜	
7¾	6	AdMd pf	1.00	13.6	—	9	7⅜	7¼	7⅜	+ ⅛
28¼	13¼	ArWat n	—	—	—	560	28⅛	27⅝	28⅛	+ ⅜
19½	14⅛	AirExp	—	—	9	44	17½	16⅞	16⅞	— ⅝
12⅞	5⅛	Aircoa	2.16	36.8	—	66	6 d	5⅞	5⅞	— ¼

Sales figures are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividends are annual disbursements based on the latest declaration.

a — dividend also extra(s).
b — annual rate of dividend plus stock dividend.
c — liquidating dividend.
cld — called.
d — new yearly low.
e — dividend declared or paid in preceding 12 months.
g — dividend in Canadian funds, subject to 15% non-residence tax.
i — dividend declared after split-up or stock dividend.
j — dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting.
k — dividend declared or paid this year, an accumulative issue with dividends in arrears.
n — new issue in the past 52 weeks. The high-low range begins with the start of trading.
nd — next day delivery.
P/E — price-earnings ratio.
r — dividend declared or paid in preceding 12 months, plus stock dividend.
s — stock split. Dividend begins with date of split.
sls — sales.
t — dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date.
u — new yearly high.
v — trading halted.
vi — in bankruptcy or receivership or being reorganized under the Bankruptcy Act, or securities assumed by such companies.
wd — when distributed.
wi — when issued.
ww — with warrants.
x — ex-dividend or ex-rights.
xdis — ex-distribution.
xw — without warrants.
y — ex-dividend and sales in full.
yld — yield.
z — sales in full.



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Koito Claims Victory in Pickens War

Reuters

TOKYO — Japan's Koito Manufacturing Co. said Wednesday that it had won an overwhelming victory in its proxy war with the U.S. investor T. Boone Pickens, who has been fighting for seats on the board and higher dividends for about a year.

Mr. Pickens — the largest shareholder in Koito with a 26.4 percent stake — has conceded defeat.

The company, which manufacturers auto parts, holds its shareholders meeting Thursday.

Koito said that at the close of business on Wednesday, the company held voting power over 83 percent of the shares not held by Mr. Pickens.

Mr. Pickens said he had won proxies from holders representing more than half of the shares held by individual Japanese investors who are not affiliated with Toyota Motor Corp.

The leading Japanese automaker is Koito's second-largest shareholder and its biggest customer.

"If anything, it has made me more determined," Mr. Pickens said. He has sued Koito, alleging illegal ties with Toyota Motor Co. and cross-share holdings that discriminate against foreign investors.

Mr. Pickens told a news conference on Tuesday that although he expected to lose his battle with Koito management at the annual meeting, he saw the issue becoming a test case following U.S.-Japan trade talks concluding this week.

The U.S. investor has charged that Japan's economy, while generating great wealth, benefits only a few elite at the expense of the workers and consumers.

"When you own over a quarter of the firm, you'd think at some point they'd include us on the board," Mr. Pickens said last year when he announced he was seeking four seats.

Anger over low dividends is growing in Japan, but brokers said no complaints would be aired at Thursday's multitude of shareholder meetings, which will be little more than ceremonial approval of company performances.

Last month Mr. Pickens placed a series of advertisements in major Japanese newspapers, accusing the biggest automakers of colluding to keep prices high and dividends low.

Singapore Move Buffets Banks

Reuters

SINGAPORE — Stocks in Singapore banks gyrated wildly on Wednesday as prices of foreign and local shares in banks converged, following news that the government will raise the ceiling on foreign ownership of local banks.

There was immediate selling of foreign-registered stocks of banks, which plunged before rebounding. Locally registered bank issues rallied all the way.

The managing director of the Monetary Authority of Singapore, Lee Ek Tieng, said on Tuesday that foreigners would be allowed to own up to a 40 percent stake in local banks, compared with the current 20 percent ceiling.

Mr. Lee did not say when the change would take effect.

On Wednesday the Monetary Authority, Singapore's de facto central bank, also imposed a 40 percent limit on foreign-owned holdings in Development Bank of Singapore Ltd. DBS was originally not subject to limits on foreign shareholdings.

Development Bank said the Monetary Authority had also imposed on it the standard 5 percent limit on holdings owned by any single or related group of foreign shareholders.

DBS said it would freeze its present foreign shareholdings at 44.1 percent. The institution now has an issued and paid-up capital of 431.09 million one dollar shares.

"MAS has permitted DBS to work towards compliance with the 40 percent foreign shareholdings limit without specifying a time frame for achieving compliance," the Development Bank statement said.

Robert Tomlin, managing director of Singapore International Merchant Bankers Ltd., described the Monetary Authority's moves on equity ownership as "a good thing in the long run, but pretty damaging for foreigners in the short run."

Analysts said foreign investors were divesting their holdings to cut losses as Singaporeans snapped up local shares in expectation of selling them to foreigners at higher prices later.

Investors were also reducing their foreign holdings in local banks and switching to local shares in hopes of converting them to foreign shares later at no extra cost.

Locally registered stocks of OCBC Bank Ltd. climbed 1.15 Singapore dollars (62.4 cents) to close Wednesday at 9.55 dollars, with 3.4 million units traded. United Overseas Bank Ltd., the day's most active stock, rose 85 cents, to 6.45 dollars. About 8.9 million units changed hands.

The foreign-registered stock of OCBC dropped 80 cents to close at 10.10 dollars, after having been as low as 9.30 dollars. UOB's foreign-registered stock initially lost 1.30 to 6.50, but then nearly halved the loss.

The Stock Exchange of Singapore temporarily suspended trading in shares of Development Bank of Singapore for the announcement concerning its shares. DBS shares last traded at 13.80 dollars on Tuesday.

Analysts said they expected bank shares held by Singaporeans to continue rising, as foreign share prices drop until the gap between the two — in some cases as much as 2.50 dollars — narrows markedly.

Bankers welcomed Singapore's decision on foreign equity holdings, saying the move would bring greater liquidity to the stock exchange.

Some analysts asked if there was any connection between the moves and government plans to privatize at least four defense-related companies this year.

"Whatever the objectives, the move is positive in the long term," one analyst said.

One banker said the move was unlikely to have much impact on bank operations, adding "the impact will be primarily on share prices."

There are now 13 locally incorporated fully-licensed banks, which provide a complete range of banking services.

Another 22 foreign banks have full banking licenses but are not allowed to open more branches, install off-site automated teller machines and provide cashless shopping systems for their clients.

WARRANTS: *Critical Issues Coming in Tokyo*

(Continued from first finance page)

offering is expected to be a $300 million deal by Nomura on behalf of Daikyo Inc., Japan's leading builder of condominiums. Other candidates are Kuraray Co., a medium-sized producer of synthetic fibers; Ricoh Co.; Sumitomo Metal Industries Ltd.; Kao Corp., the household and personal-care concern, and JGC Corp., a refiner and petrochemical producer.

Those who believe these concerns and others will go forward focus their arguments on the sustained health of the economy and continuing rises in capital investment among Japanese manufacturers. Capital expenditure is expected to increase by 10 percent or so this year after a rise of 18 percent in 1989.

"These sorts of spending plans have to be funded, and the most efficient way to do it is through the warrants market," said Christopher M. Taylor, general manager of equity sales at Baring Securities (Japan) Ltd.

Mr. Taylor believes the Finance Ministry also has a stake in reviving the market. This September it is scheduled to launch a computerized trading system, known locally as "the brokers' broker," that will list bid and ask warrant prices in Tokyo in an effort to bring an offshore market onshore.

That does not a market make, other analysts assert. With both economic growth and profits slowing, the market's fundamentals have altered since the heady days of warrant issues, they argue; and with interest rates showing no sign of coming down, institutional investors remain wary of reentering equities as well as warrants.

One indicator of the warrant market's prospects lies in a Jardine Fleming warrants fund set up last November. Launched with a net asset value of 9.5, units rose to 13 before the stock market's decline. Now the fund's net asset value is 7, and bids are coming in no higher than 6, Jardine executives said.

"The warrants market should reflect the cash market, and I don't see that improving," said David S. Pike, chief of research at UBS Phillips & Drew International Ltd. "Institutional holdings in stocks are still very high, and they're rebuilding bond portfolios. That's an important factor, too."

NYSE

Wednesday's Closing

Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. *Via The Associated Press*

(Continued)

12 Month High	Low	Stock	Div	Yld	PE	Sls 100s	High	Low	4 P.M.	Ch'ge
35½	23¼	Sysco s	.20	.6	25	2048	35¼	34⅝	35	+ 1⅛
25⅝	16½	SystCl		–	17	27	21½	21⅜	21½	–
		T								
28	15⅝	TCBY	.12	.6	17	495	19⅝	18⅝	19⅝	+ ⅜
17⅝	9⅛	TCF Fn	.48	4.2	7	110	9⅝	9½	9⅝	–
8⅝	7⅝	TCW	.84	9.9	–	409	8½	8⅜	8½	+ ⅛
46¼	29⅝	TDK s	.26e	.6	–	56u	47¼	47⅛	47¼	+ 2
29⅝	25⅛	TECO	1.62	5.6	12	634	29⅛	28⅝	29⅛	+ ⅛
8⅞	6¼	TIS	1.26e	17.4	7	61	7⅜	7¼	7¼	– ⅛
20½	11⅝	TJX	.46	3.4	14	941	13½	13¼	13⅜	–
22½	14½	TNP	1.63	9.1	10	143	18	17⅝	17⅞	+ ⅛
51⅜	40	TRW	1.72	3.6	12	2025	47⅝	46⅞	47⅜	+ ¼
4½	2⅛	TacBt n		–	–	17	2⅜	2⅜	2⅜	–
40⅝	18	Taiwan	16.44e	68.5	–	252	24¼	23⅝	24	– ¼
14	7	Talley	.50	6.9	3	89	7½	7¼	7¼	–
19⅛	10⅝	Talley pf	1.00	8.7	–	5	11½	11¼	11½	+ ¼
85¾	59	Tambd	2.16	2.6	23	412	84¼	83¾	84	+ ⅛
30⅛	16½	Tandem		–	19	2938	23⅝	23	23⅝	+ ¼
48¾	29⅝	Tandy	.60	1.7	10	1566	36	35⅛	35⅝	+ ⅜
22	13½	Tndycft		–	13	10	20⅛	20⅛	20⅛	– ¼
12⅛	10½	TauNY n	.25e	2.3	–	46	11	10⅞	10⅞	– ¼
12⅝	10¼	TauCA n	.24e	2.3	–	44	10⅝	10⅛	10⅝	–
14¼	7	TchSym		–	8	110	9⅛	8⅝	8⅝	– ¼
23⅞	12⅝	Tektrnx	.60	4.0	39	633	15¼	14⅞	15⅛	+ ¼
2⅛	1¼	Telcom		–	11	16	1⅛	1⅛	1⅛	– ⅛
40¼	15¾	TlcmUS		–	33	748	40⅜	40⅛	40⅛	–
38	23½	Teldyn s	.80	3.2	–	474	25⅞	25⅜	25⅜	– ⅜
27⅝	22⅛	Telef	1.07e	4.2	14	2974	25½	25⅛	25⅛	+ ¼
36½	27½	Tempil s	.88	2.4	9	7169	34¼	33⅝	34	– ⅜
15⅝	10	TempIE	.33e	2.1	–	305	15⅝	15½	15⅝	+ ¼
9¼	7⅝	TpGGv	.90	10.7	–	197	8⅝	8¼	8⅜	+ ⅛
9⅝	6¼	TmpGlb	.90	11.6	–	1589	7¾	7⅝	7¾	+ ⅛
10½	8⅝	TmplVl	.43e	4.5	–	262	9⅝	9½	9½	–
71	54	Tennco	3.04	4.6	34	4329	66⅝	65½	66⅛	+ ⅛
20¼	17⅝	Tesco n	2.20	11.6	–	149	19⅛	19	19	–
13⅝	8⅝	Terdyn		–	241	46	9¼	9⅛	9¼	–
11⅝	7¾	Tesoro		–	–	74	9⅝	9¼	9⅝	+ ⅛
21½	16⅛	Tesor pf	.54k	–	–	8	18⅝	18½	18⅝	+ ⅛
61	49½	Texaco	3.00a	5.3	12	4684	56⅝	55⅝	56⅝	+ ⅛
50⅝	47⅛	Txc pfC	3.09e	6.1	–	404	50¼	50⅛	50¼	+ ⅛
35⅝	18	TexInd	.80b	3.9	–	315	20⅝	19	20⅝	+ 1¼
44	28⅛	TexInst	.72	1.8	18	3080	39	37¼	39	+ 1⅝
54	28⅝	TxPac	.40	1.4	37	430	28⅜d	27½	28	– ⅜
37⅝	30⅝	TexUtil	2.96	8.3	8	3684	35⅝	35	35⅝	+ ½
12⅝	5½	Texfl		–	10	66	7⅞	7⅝	7⅝	– ⅛
10⅝	9¼	Texfl pfB		–	–	25	9⅝	9⅝	9⅝	–
29⅝	21	Textron	1.00	4.2	8	689	23⅞	23⅝	23¾	–
9¼	5⅝	Thack		–	30	44	7¼	7⅛	7¼	–
12⅝	11⅝	ThaiC n		–	–	573	11½	11⅜	11½	–
35½	16	Thai	2.45e	10.7	–	351	23⅛	23	23	+ ⅛
37⅞	26⅝	ThrmEl		–	22	974	30⅝	29⅞	30⅛	– ⅛
16	9¼	Thiokl n	.30	2.7	–	543	11¼	11⅛	11¼	–
61½	47⅝	ThmBet	2.12	3.8	16	311	56½	56⅛	56⅛	– ½
20⅝	17	Thomin	.76	4.3	10	1	17⅝	17⅝	17⅝	+ ⅛
11⅞	4⅛	TMAM	1.46	14.6	6	80	10⅛	10	10	–
12¼	8⅝	ThorInd	.12	1.3	14	6	9⅛	9⅛	9⅛	– ⅛
17⅝	8⅝	Tidwtr		–	–	608	15¼	14⅝	14⅝	– ⅜
61¼	32	Tifany	.28	.6	20	467	45	43⅞	44⅛	– ¾
172¼	87½	TimeW	1.00	1.0	–	1888	99⅝	98	98¼	– 1
46	37	TmW pfC	4.38	10.3	–	785	42⅝	42	42⅛	– ⅛
43⅝	33⅝	TmW pfD	5.50	12.9	–	695	42⅝	42½	42⅝	–
45	28⅝	TmMir	1.08	3.4	15	741	31⅝	31	31½	– ⅛
39¼	25½	Timken	1.00	3.1	21	1816	32⅝	31⅞	31⅝	– 1⅛
3⅞	1⅜	Titan		–	18	6	2½	2½	2½	–
8⅛	2⅝	viTodSh		–	–	456	5⅛	5	5	– ⅛
25⅞	17⅛	Tokhem	.56	2.8	15	281	20⅝	20¼	20¼	– ½
25	23	TolEd pf	2.36	10.0	–	3	23⅝	23⅝	23⅝	– ⅛
23½	21¼	TolEd pf	2.21	9.8	–	6	22½	22¼	22½	+ ⅜
23	19⅝	TolE adpf	2.21e	10.6	–	2	20⅝	20⅝	20⅝	– ⅛
5⅛	2⅝	TollBro		–	7	72	3⅜	3¼	3¼	– ⅛
22⅝	5⅝	Tonka		–	7	352	6¼	6⅛	6¼	–
45½	28⅛	ToolRl	.23b	.5	20	43	45¼	45	45	–
59¾	37⅝	Trchmk	1.40	3.0	12	541	47⅛	46¼	46¾	+ ⅜
30	20⅝	Toro	.48	1.9	13	235	25	24¾	24⅞	–
25⅝	16	Tosco s	.60	3.2	9	873	18⅝	18⅜	18⅝	+ ⅛
66¾	42⅝	Tosco pf	2.37	4.9	–	4	48⅝	48⅜	48⅝	+ ⅛
35½	24¼	TotlSys	.21e	.7	43	26	31¼	31⅛	31¼	–
48	27⅝	ToyRU		–	28	4419	46⅝	45⅝	46½	+ ⅜
32	18⅝	ToyRU wi		–	–	84	31⅝	30½	31¼	+ ⅛
6⅛	3⅝	Tramel	.70e	18.1	–	113	3⅞	3⅝	3⅞	+ ⅛
17¼	10½	TWA pf	2.25	20.5	–	75	11⅛	11	11	– ¼
48	33¼	Transm	1.92	4.9	9	4289	39	38½	38⅞	+ ⅜
24½	21⅜	Traninc	2.16	9.9	10	9	21⅞	21¾	21¾	–
29¼	27⅝	TrnstH n		–	–	1664	28½d	27¾	27⅞	– ¼
15¼	12	TrCda g	.68	4.9	–	1	13⅝	13⅝	13⅝	–
50¼	38⅝	Transco	1.36	3.3	13	179	41½	40¾	41⅜	+ ⅜
54¾	49⅞	Trnsc pf	4.75	9.3	–	27	51½	51	51	–
13½	3¼	TranEx	9.85c	–	5	3662	3¾	3½	3¾	+ ¼
2⅞	½	Transcn		–	–	45	9/16	7/16	½	+ 1/16
7⅛	2½	TrnRty	.63e	22.9	–	47	2⅞	2¾	2¾	– ⅛
18½	7	TrnsTec	.96	13.5	25	152	7⅛	7	7⅛	– ¼
45	29¼	Travler	2.40	8.0	8	960	30¼	29½	30⅛	+ ⅜
17⅞	11½	Tredgr n	.24	2.0	15	163	12¼	12	12⅛	+ ⅛
26⅛	19⅝	TriCon	3.39e	14.1	–	273	24¼	23¾	24⅛	–
63⅜	38¼	Tribune	.96	2.3	14	518	43	42⅝	42⅝	– ⅜
46	21⅜	Trinty	.80	2.9	14	1397	28⅝	28	28	– ⅜
30⅝	21	Trinova	.68	2.5	31	703	27	26⅝	26¾	–
16⅛	6⅝	TritonG		–	–	58	7¼	7	7⅛	+ ⅛
18	9⅛	TritEng	.16b	.8	9	404	12⅛	11⅞	11⅞	– ¼
25⅞	18¾	TritE pf	2.80	10.8	–	17	26	26	26	–
33½	9⅝	TucsEP		–	–	650	11⅝	11⅜	11⅝	+ ¼
14⅝	6⅝	Tultex	.36	4.7	38	167	7⅝	7½	7⅝	–
14⅝	9⅝	Turk n	.03e	.2	–	142	13	12¾	12⅞	+ ⅛
31¾	20⅝	TwinDs	.90	4.2	14	5	21½	21½	21½	– ⅛
57½	38⅝	TycoLb	.32	.6	21	821	56½	54½	55⅝	– ⅝
4	3⅛	Tyler n		–	–	26	4	3⅞	4	+ ⅛
		U-V								
294	117	UAL Cp		–	14	1205	149½	146¾	148¾	+ 1¾
28⅝	20¾	UDC pf	3.75	16.7	–	21	22¾	22½	22½	–
27¼	13⅝	UDC	2.00	14.3	3	129	14⅛	13⅞	14	–
25⅞	20⅝	UDC pf	3.42	18.1	–	271	20⅛d	19⅞	20	– ⅜
40⅝	33½	UGI	2.36	6.4	11	37	36⅝	36⅜	36⅜	– ⅛
28⅝	13¼	UJB Fn	1.16	7.0	7	733	16⅝	16¼	16⅝	+ ⅜
9⅛	3¼	UNCInc		–	–	452	4⅛	4	4⅛	+ ⅛
52	33⅝	UNUM	.80	1.5	12	642	51⅞	51	51¾	+ ¾
33⅝	26⅝	USFG	2.92	10.8	20	1567	27¼	26⅝	27	+ ⅛
46½	39½	USFG pf	4.10	10.3	–	38	39⅝	39⅝	39⅝	–
5⅝	2⅝	USG		–	7	590	4⅛	3⅞	4⅛	+ ⅛
25⅜	21	USLICO	1.00	4.7	8	35	21⅜	21¼	21¼	– ⅛
31⅜	24⅜	UST	1.10	3.6	18	1526	30⅝	30⅜	30½	–
39½	31½	USX	1.40	4.3	11	6863	32⅝	32¼	32⅜	+ ⅛
49	44½	USX pf	4.48e	9.6	–	12	46½	46½	46½	–
10½	5⅛	Ultmte		–	775	295	7⅝	7⅜	7⅜	+ ⅛
17⅝	11⅞	Unifi s		–	11	700	15⅝	15¼	15⅝	–
24	16⅝	UniFst s	.12	.5	17	245	23	21	22½	+ 1½
49⅞	36⅝	Unilevr	1.48e	3.0	14	614u	49⅞	49⅛	49⅞	+ 1
86	63⅝	UniNV	1.77e	2.1	14	2252u	86½	84⅝	86	+ 1⅜
41⅜	33¼	UnCmp	1.56	4.3	9	1808	36⅛	35⅝	36	+ ½
31½	18⅝	UCarb	1.00	5.2	6	4718	19⅝	19⅛	19⅜	– ⅜
23⅝	12½	UnionC		–	13	373	22⅝	22⅜	22⅝	– ¼
28⅝	24⅝	UnElec	2.08	7.9	10	619	26⅝	26⅛	26⅜	–
19½	13⅛	UnExp	1.75e	12.7	16	239	14	13½	13¾	+ ¼
81	66⅝	UnPac	2.32	3.3	12	2117	70	69	69⅝	– ⅜
15½	7⅝	UPInfr	.48	5.6	14	47	8⅝	8½	8½	– ¼
21	14½	UnTex	.20	1.0	16	2573	19⅞	19⅝	19⅞	+ ⅛
25⅜	12⅝	Unisys	1.00	7.7	–	6975	13¼	13	13	– ⅛
48¾	31	Unisy pf	3.75	11.8	–	1021	32½	31⅝	31⅞	– ⅝
5⅛	2⅝	Unit		–	–	117	4	3⅞	4	+ ⅛
21½	15⅝	UAM	.40	2.2	18	32	18⅝	18⅛	18⅛	+ ⅛
20⅝	13⅝	UDomin s	.05i	.4	8	10	13½d	13⅜	13½	– ⅛
19⅛	14⅝	UDomR	1.24	7.6	34	14	16¼	16⅛	16¼	+ ¼
34¼	26⅝	UIllum	2.32	8.2	8	34	28⅝	28	28¼	+ ¼
23⅜	21	UIllu pr	2.20	9.8	–	z300	22½	22½	22½	– ½
14	8⅝	UnitInd	.64	7.2	8	121	9	8¾	8⅞	+ ⅛
30⅛	6⅝	UnitInn		2.5	–	101	8⅝	8⅜	8⅝	+ ⅛
20⅜	15⅝	UtdInv	.30	1.7	12	314	17⅝	17⅛	17⅝	+ ⅜
11½	8⅝	UKing	.60e	5.9	–	x292	10⅛	10⅛	10⅛	–
3⅝	9/16	UtdMM		–	–	46	9/16	½	9/16	–
2⅝	9/16	UPkMn		–	–	12	9/16	9/16	9/16	–
54⅝	24⅝	UsairG	.12o	.5	–	1056	26	25⅝	26	+ ⅛
1⅜	1	USHom		–	–	349	1⅛	1	1	–
28¼	16⅝	USShoe	.52	2.1	17	2076	24⅝	24½	24⅝	+ ⅜
47⅝	18½	US Srg s	.50	1.1	34	539	47	46	46⅛	– ⅞
40½	33⅝	USWst s	2.00	5.6	12	4431	35⅞	35¼	35⅞	+ ⅛
60¾	48⅝	UnTech	1.80	3.1	11	1558	58⅝	57⅞	57⅞	– ½
44⅞	30½	Unitel s	1.00	2.6	21	11717	38⅝	37	38¾	+ 1¾
17⅝	13⅛	UWR	.88	6.6	15	218	13⅝	13¼	13⅝	–
7¾	3½	Unitrde		–	50	142	4⅛	3⅞	4	– ¼
17⅞	11	Univar s	.30	2.2	11	33	14	13⅝	13⅞	–
39	28⅝	UnvlCp	1.48	5.0	10	245	29⅝	28⅞	29⅝	+ ⅜
31⅞	21⅝	UnvFd s	.48	2.1	18	288o	32¼	31⅛	31⅞	+ ¼
14⅝	10½	UnvHR	1.48	12.7	10	162	11⅝	11½	11⅝	+ ⅛
7½	3⅞	UMatch		–	–	58	4⅝	4⅛	4⅝	– ⅛
8⅝	4⅝	UniMd s		–	–	18	5⅝	5⅜	5⅝	– ⅛
6	3½	UMd pfB		–	–	1	4⅝	4⅜	4⅝	+ ⅛
33⅝	22¼	Unocal s	.70	2.6	25	8724	27¼	26⅞	27	– ⅜
43½	29⅝	Upjohn	1.00	2.4	34	5108	41⅜	40	41¼	+ ⅜
48⅝	34⅝	USLIFE	1.48	3.9	8	450	37⅝	37⅜	37⅜	+ ⅛
37	34⅝	USLF pr	3.33	9.5	–	8	35⅝	35	35	– ⅛
9⅝	7⅝	UslfeF	.92	11.7	–	39	8⅛	7⅞	7⅞	– ⅛
22⅝	18⅝	UtilCo	1.44	7.2	9	156	20⅛	20	20⅛	–
28	24	UtilCo pf	2.44	9.8	–	4	25⅛	24⅞	25	–
23⅝	20	UtilCo pr	1.77	8.6	–	2	20½	20½	20½	– ¼
38⅝	24½	VF Cp	1.00	4.0	10	1772	25⅝	24⅞	25	+ ¼
6⅝	⅞	VMG n	.30t	–	–	124	1⅝	1½	1⅝	–
18⅝	13¾	Valhi	.20	1.4	18	410	14½	14½	14½	– ⅛
19⅝	13¼	Valero	.28	1.7	18	663	16¼	16	16⅛	+ ⅛
28½	26½	Valer pf	3.44	12.1	–	8u	28⅝	28½	28⅝	+ ¼
22⅛	12⅝	ValNG	2.50	17.5	28	165	14½	14¼	14¼	– ⅛
1⅞	⅝	Valeyln		–	–	15	11/16	⅝	⅝	–
19⅝	13⅝	VanDrn	.60	3.3	18	51	18⅛	17⅝	18⅛	+ ⅜
9⅝	9	VKmpM	.68	7.4	–	248	9¼	9⅛	9¼	–
9⅝	5⅝	VKMT	1.07	16.8	–	135	6½	6⅜	6⅜	– ⅛
12½	11⅛	VKMI n	.87	7.7	–	20	11¼	11¼	11¼	–
12	7⅝	VKML	1.28	15.8	31	84	8¼	8	8⅛	+ ⅛
26	24	VKmL pf	2.37	9.6	–	31	24¾	24½	24⅝	+ ¼
12½	4	Varco		–	77	837	11	10½	10⅝	– ⅜
29⅛	19⅝	Varian	.26	.9	22	601	28⅛	27⅝	28	–
3½	2	Varity		–	9	1810	3⅛	3	3⅛	–
23½	16⅝	Varity pf	1.30	5.9	–	47	22	21¾	22	+ ⅛
14	12⅝	VestSe	1.20a	9.2	11	14	13	12⅞	13	–
4⅝	9/32	Vestrn		–	–	15	5/16	9/32	9/32	+ 1/32
87	78⅝	VaEP pf	7.45	9.0	–	z1450	82¾	82¾	82¾	– ¼
23⅛	13⅝	Vishay	1.03t	4.9	14	174	21	20¾	20⅞	–
49⅝	31	VistaCh	1.80	4.6	5	97	38¾	38⅝	38¾	–
18⅝	9¼	VistaR s		–	26	25	18	17½	18	+ ¼
32	22⅝	Vivra n		–	–	136	31⅝	30⅝	31⅜	+ ½
3	1⅛	VaiCC		–	–	12	1⅝	1⅜	1⅝	+ ⅛
23⅝	14⅛	Vons		–	–	361	23	22⅝	22¾	– ¼
48	41¼	VulcM	1.20	2.8	13	230	43⅞	43½	43½	–
		W								
25½	19⅝	WICOR	1.40	6.3	11	33	22¼	22	22¼	–
13⅝	7¼	WMS		–	–	137	9	8½	8¾	– ¼
24⅝	21⅛	WPL H s	1.74	7.9	11	324	22⅛	21⅞	22⅛	–
20	6½	Waban		–	10	822	8⅝	8¼	8⅜	– ⅛
16⅝	10	Wahlco n		–	–	337	11⅜	11	11¼	– ¼
11¾	7	Walnoc		–	–	287	8¾	8½	8½	– ¼
63⅝	37	WalMrt	.28	.5	30	7674	60⅞	59¾	60⅝	+ 1⅛
31⅞	18½	WalMt wi		–	–	498	30½	30	30½	+ ½
50¼	39⅝	Walgrn	.80	1.7	18	1689	46⅜	45⅝	46⅜	+ ⅜
31½	22¾	WalCS s	.46	1.9	13	214	24⅝	24⅝	24¾	–
7⅝	3½	WrnCpt	.32f	7.5	16	29	4¼	4⅛	4¼	– ⅛
64⅝	43⅝	WarnL s	1.52	2.4	20	2773	64⅝	62¼	64⅝	+ 1⅞
32½	27	WashGs	2.04	6.9	12	38	29⅝	29½	29⅝	–
311	232½	WshPst	4.00	1.5	17	267	261¾	260	261	– 1¾
31⅜	28	WshWt	2.48	8.6	11	475	28⅞	28½	28⅞	+ ⅛
41½	25⅝	Waste s	.36	.9	32	10389	41⅝	39¼	41⅛	+ 1⅞
26⅝	14⅝	WatkJn	.48	3.0	9	144	16⅜	16⅛	16¼	–
11	5½	Waxmn	.12	1.9	8	12	6¼	6⅛	6¼	+ ⅛
5⅝	2	WeanU		–	3	6	3¼	3¼	3¼	–
12	7⅝	WebbD	.05e	.6	7	227	8½	8⅜	8⅜	–
2¼	¾	Wedgtn		–	–	47	2⅛	2	2	– ⅛
32½	26½	WeinRl	1.88	6.8	30	125	27⅝	27½	27¼	– ¼
14⅝	7⅝	Weirt	.64e	7.1	7	116	9¼	8⅞	9	– ¼
37½	27¾	WeisMk	.60	2.1	16	26	29¼	29	29¼	+ ¼
43	23½	Welmn	.12	.4	14	5539	27¾	27¼	27¾	+ ½
87½	64½	WellsF	4.00	5.3	7	1291	76⅛	75¼	75⅞	+ ¼
39	30½	WelF pf	3.04e	9.8	–	7	31	31	31	–
39	31¼	WelF pf	3.31e	10.3	–	1	32	32	32	–
7½	3⅝	Wendys	.24	3.7	24	5464	6¾	6⅝	6½	–
22⅝	17⅛	West	.40	2.3	14	1028	18½d	16¾	17⅛	– 1⅜
56¾	28⅝	WPtPe		–	16	3	38⅝	38⅝	38⅝	– ¼
18¾	15¼	WstctE g	.80	–	17	55	17⅛	17⅛	17⅛	– ¼
18½	5⅝	WCNA		–	–	110	16	15⅞	16	– ⅛
16¾	12⅝	WtGs pf	1.80	12.9	–	9	14	13⅝	14	–
13⅝	8⅝	WstGR n		–	13	922	9½	8⅝	9½	+ ⅜
21⅜	13	WstMn n	.39e	2.7	–	252	14⅝	14⅛	14⅝	+ ⅛
1¾	¼	WUnion		–	–	2577	9/16	½	½	– 1/16
30½	5⅝	WUn pfA		–	–	9	14	13⅝	14	+ ⅜
13⅝	2¼	WUn pfB		–	–	63	4½	4	4½	+ ⅜
38⅝	30¾	WstgE s		–	11	5573	36⅞	36½	36⅝	– ⅜
23¾	17⅜	Wstpc	1.99e	10.8	–	126	18⅝	18⅜	18½	– ¼
26⅝	21⅜	Wstpc pf	2.20e	9.3	–	15	23¾	23⅝	23⅝	+ ⅜
33⅝	23½	Wstvco	1.00	3.9	8	439	26	25⅝	25⅝	– ⅜
32⅝	23⅝	Weyerh	1.20	4.6	9	2870	26	25⅛	25⅞	+ ½
40¾	34	Weyer pr	2.62	7.5	–	18	35	34⅝	34⅞	+ ¼
43⅝	33	WhlbT n		–	28	565	43⅝	43	43⅛	–
16⅝	7¼	vjWhPit		–	–	99	8⅛	7⅞	8	– ⅛
33½	25½	Whrlpl	1.10	4.0	11	1128	27¾	27⅛	27½	– ⅜
18⅝	12½	Whitehl		–	25	15	13	13	13	– ⅛
37⅝	24⅝	Whitmn	1.06	4.0	20	6343	27¼	26⅝	26¾	– ½
13½	7½	Whittk n		–	7	23	10⅝	10⅛	10⅝	– ⅛
1⅛	⅛	vjWilfrd		–	–	10	¼	¼	¼	–
20½	8½	WilcxG	.10	1.0	9	10	10¼	10⅛	10⅛	– ⅛
44⅝	28⅝	Willam	1.40	4.6	28	1175	31	30⅝	30⅝	– ⅜
61⅜	46½	Wllm pf	3.87	7.9	–	5	48¾	48¾	48¾	+ ¼
7¼	5⅝	WilshrO	.20t	3.3	204	41	6⅛	6	6⅛	–
19⅝	4⅝	Windmr		–	55	93	6	5⅝	6	–
68⅝	48	WinDix	1.98	2.9	18	111	67¼	65⅝	67¼	+ 1⅜
8	4¼	Winnbg	.10t	–	–	110	4⅝	4½	4⅝	–
32⅛	26⅝	WiscEn	1.76	6.1	10	1187	28⅞	28⅝	28¾	– ⅛
24⅞	20⅝	WiscPS	1.62	7.7	12	58	21¼	21⅛	21⅛	–
45⅛	31¼	Witco	1.72	4.8	26	263	35⅞	35¼	35¾	– ⅛
15⅝	10⅛	Wolvrw	.16	1.4	12	17	11⅝	11⅛	11⅝	+ ⅛
36⅛	25½	Wolwth s	1.04	3.1	13	3445	33¼	32¼	33⅛	+ ⅜
15½	6½	WrldCp		–	165	40	8½	8¼	8¼	– ¼
19¾	15⅝	WrldVl	1.90e	12.3	–	57	16⅛	16	16	– ¼
57¾	38⅝	Wrigley	.88	1.6	19	142	53⅞	53	53⅝	+ ⅜
14⅝	7⅝	WyleLb	.28	2.1	14	218	13½	13¼	13½	+ ⅛
27½	18	Wynns	.60	2.9	13	14	21	20⅞	20⅞	–
		X-Y-Z								
68½	45⅞	Xerox	3.00	6.4	8	1990	47¼	46¾	47	–
4¼	1⅜	Zapata		–	–	1295	2	1¾	1¾	– ⅛
12⅛	5⅝	Zemex		–	–	43	5⅞	5⅝	5⅝	– ⅛
⅝	⅛	Zemex rt		–	–	3u	⅜	⅜	⅜	+ ⅛
19⅝	7⅝	ZenithE		–	–	364	8⅝	8½	8⅝	+ ⅛
21½	13⅝	ZenNtl	.88	5.9	9	273	15	14⅝	15	–
9¼	5⅝	Zenix	.90	15.0	–	497	6	5⅝	6	+ ⅛
18½	12⅝	Zero s	.40	2.8	14	67	14¼	14⅛	14¼	–
49	34	Zurnln	.76	1.6	21	255	47⅞	47	47⅝	+ ¼
12⅝	10⅝	Zweig	1.21e	10.6	–	378	11⅜	11¼	11⅜	–
10	9	ZweigTl	.96	10.4	–	1814	9⅝	9¼	9¼	– ⅛

20 Malaysian Airports Are to Be Privatized

Reuters

KUALA LUMPUR — Malaysia plans to privatize 20 of its airports valued at 600 million ringgit ($221 million) by early next year, Transport Ministry officials said on Wednesday.

A new company, Malaysian Airports Corp., has been formed to take the airports over from the Department of Civil Aviation, Mohamed Noor Ghani, the ministry's secretary-general, told reporters.

He said that British Airport Services Ltd., Malaysia's Amanah Merchant Bank Bhd and two other local companies were studying ways to privatize the airports. British Airport Services is a unit of BAA PLC.

Six of the 20 airports are international airports. Eight of them are in the eastern Malaysian states of Sabah and Sarawak on Borneo.

Officials said the government would transfer all the assets to the new company but certain operations such as air traffic services and flight control would remain in government hands.

An official of Amanah Merchant Bank said it might recommend that Malaysia emulate operations of successful British and other European airports.

Officials said the rapid passenger and cargo traffic growth due to a booming economy, and increased travel to and from countries in the region, had put a strain on some major airports.

With the state air carrier, Malaysian Airline System, going through with a 5.5-billion-ringgit fleet expansion, many airports have become congested as the government has found itself unable to match the growth with further capital spending, due to budget constraints.

The government has drawn up plans for a second international airport near Kuala Lumpur because the main Subang airport may not be able to cope with the rise in traffic anticipated by 1995.

Malaysia's airports are being run at a loss, as revenue is being used to subsidize smaller airports' operations, airport officials said.

The privatization would complement a national policy to improve infrastructure in Malaysia. The government has already privatized the giant North-South highway project and last week announced plans to privatize its largest seaport, Port Klang.

Malaysia started selling state companies, including an airline and a shipping line, in 1983.

Malay Car Firm Finds Share Offer In Great Demand

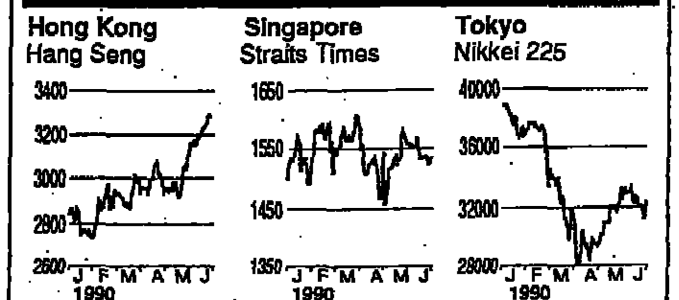
Reuters

KUALA LUMPUR — An offering of shares in Edaran Otomobil Nasional Bhd., Malaysia's national car distributor, was oversubscribed 22 times, company officials said Wednesday.

EON, a 5-year-old enterprise that distributes the Proton Saga car, offered 13.1 million shares at 4.3 ringgits ($1.59) each but received applications for 301.8 million. The shares were part of a 36 million-share issue, or 30 percent of EON's 120 million shares outstanding.

Going into the issue, the state-owned Heavy Industries Corp. of Malaysia Bhd. owns 45 percent of EON, the Finance Ministry owns 25 percent and the Kualapura Bhd. investment firm owns the rest.

Investor's Asia



Exchange	Index	Wednesday Close	Prev. Close	% Change
Hong Kong	Hang Seng	3284.47	3292.35	-0.24
Singapore	Straits Times	1533.25	1523.59	+0.63
Sydney	All Ordinaries	1504.10	1513.10	-0.59
Tokyo	Nikkei 225	32312.75	31571.77	+2.35
Kuala Lumpur	Composite	586.04	583.95	+0.36
Bangkok	Book Club	920.28	906.79	+1.49
Seoul	Composite Stock	740.01	736.42	+0.49
Taipei	Weighted Price	4995.38	5294.12	-5.64
Manila	Composite	899.26	905.30	-0.67
New Zealand	Barclays	1770.66	1784.88	-0.81
Bombay	National Index	436.36	434.76	+0.37

Sources: Reuters, AFP International Herald Tribune

Jarden to Sell N.Z. Assets

Reuters

WELLINGTON — Jarden Morgan Ltd. said Wednesday that CS First Boston would buy the bulk of its New Zealand business for an undisclosed sum.

The deal includes Jarden's stockbrokerage, fixed interest, futures, research and corporate business, as well as its Sydney corporate advisory business, Jarden said in a statement. The deal is subject to statutory consents.

Under the arrangement, CS First Boston, a subsidiary of Crédit Suisse, agreed to assume certain assets and liabilities associated with the activities. The transaction is expected to close in August.

The activities comprise the core business and staff of Jarden Morgan (NZ) Ltd., but only a relatively small proportion of its net assets, Jarden said.

ANZ Pays $176 Million for Coles Myer Stake

Reuters

SYDNEY — Australia & New Zealand Banking Group Ltd. said Wednesday that it had bought a 6 percent stake in the retailer Coles Myer Ltd.'s ordinary share capital for 224.66 million Australian dollars ($176.36 million). Analysts said the deal was designed to reduce the bank's troubled loans.

Greg Camm, ANZ's investor relations manager, said ANZ bought 24.96 million shares from Premier Investments Ltd. in an off-market transaction. The shares were acquired as a long-term strategic investment, he said.

Premier sold the shares on Monday at 9 dollars net per share. The investment company said it originally bought the shares for between 7.70 dollars and 9 dollars each.

Coles Myer shares closed four Australian cents lower on Wednesday, at 7.72 dollars.

The sale represents 6 percent of Coles Myer stock when the company's restricted K-shares are excluded. The K-shares are held by K Mart Corp. of the United States and represent 21.6 percent of Coles Myer stock.

The stake bought by ANZ represents 4.69 percent of all issued capital.

By purchasing some of Premier's shares, ANZ effectively lowered its debt exposure to Premier, said Bryan Madden, Prudential Bache Australia's research director. "ANZ seems to have decided it's better to hold direct equity instead of debt," he said.

ANZ arranged funding for Premier's 450 million dollar purchase of about 9 percent of Coles Myer in July 1989.

Premier, which until the sale was Coles Myer's biggest Australian shareholder, saw its interest bill balloon to 25.34 million dollars for the half year to Dec. 31, from 3.61 million the year before. Net profit fell to 399,000 dollars from 5.61 million.

Some analysts said confirmation of the purchase was likely to clip a few cents off the ANZ share price, which closed steady before the news at 4.97 dollars.

An analyst at a major brokerage was critical of the deal, calling it a cynical move to avoid provisions against shortfalls on the financing package.

"This is just further evidence of the impact of nonperforming assets and security shortfalls on the bank sector," he said.

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SPORTS/THE WORLD CUP

The Azzurri Make Italy Shut Down but Not Shut Up About Those Blues

By George Vecsey
New York Times Service

ROME — It is literally etched on stone walls that Trattoria Luigi always closes on Monday and Trattoria Pesole always closes on Tuesday.

But the passion for the national soccer team managed to close down the adjacent eateries on a shady piazza as well as most of Rome during the 2-0 victory over Uruguay on Monday night.

Other trattorie have closed because of the temporary rule, incomprehensible to a nation that drinks sensibly with its meals, that no alcohol may be served on the day of World Cup matches.

One suspects the real reason for shutting down when Italy plays is that nobody wants to be caught lugging an armful of pasta dishes while Toto Schillaci is unloading a *rocket of a goal on television.*

The Azzurri, the Blues, unite Italy *as only a common language can.* For a few hours, for a few weeks, the old city-states that used to commit war upon each other, and still do during the league season, are united. Neapolitan and Lombard, Roman and Florentine, all are Italians for the moment.

Statistics say that five of the 13 previous World Cup titles have been won by the host nation. The *wonder is that it is not more.*

It's been like Peter Pan urging *the Lost Boys to clap so that* Tinkerbell will not die, only in this case it's car horns and 70,000 voices humming a triumphant aria.

What is this national team that will play Ireland on Saturday night? In truth, it is no more than an all-star squad of highly paid professionals who spend their league seasons tripping each other, and hearing their ancestries vilified by hostile crowds.

"The Italy of Schillaci" blared a headline in Corriere della Sera, one of the higher-tone journals.

It is not very often that anybody from Sicily is said to represent Italy, but humble Salvatore Schillaci has scored three goals since coming *on as a substitute four matches ago,* and he is now loved in fashionable Milan and businesslike Turin as much as he is in his native Messina.

The selection of the Azzurri has been a preoccupation in Italy for nearly a year, with club owners and fans alike lobbying for their favorite players. But after the early bickering, there are now 22 teammates. The Azzurri. The Blues.

The excitement over the Azzurri is admirably muted on the television broadcasts. The announcers tend to identify who has the ball without forcing anyone to know the player's favorite breakfast cereal.

The printed press is hotter than the broadcasts. The newspapers run 12-page World Cup supplements while the two national sporting papers, Corriere dello Sport and Gazzetta dello Sport, deliver more soccer news daily than most Americans will see in a lifetime.

The Gazzetta is a 30-page blockbuster of black headlines on pink paper, worldwide circulation 1,108,855.

Tuesday's Page 1 headline was "Italy Flies With Schillaci Goal." *Page 2 was for television. Page 3* said, "Italia più Serena," a more serene Italy, a pun on the name of Aldo Serena, who came off the bench to score on Monday.

Also on Page 3 was the daily ratings, scale of 1-10. Schillaci received a rare 8 for his match: "A thundering goal."

Page 4 was for statistics. Page 5 had a Schillaci interview and two Uruguay sidebars. Page 6 had a column. Page 7 pictures. Pages 8 and 9 *the Ireland victory over Romania.*

Page 10 was about *Diego Maradona visiting the Italian camp* to chat with his Napoli buddies. Page 11 had more Argentina news. Pages 12 and 13 were laments from Brazil, plus commentary from somebody named Pelé, who seems to know a bit about soccer.

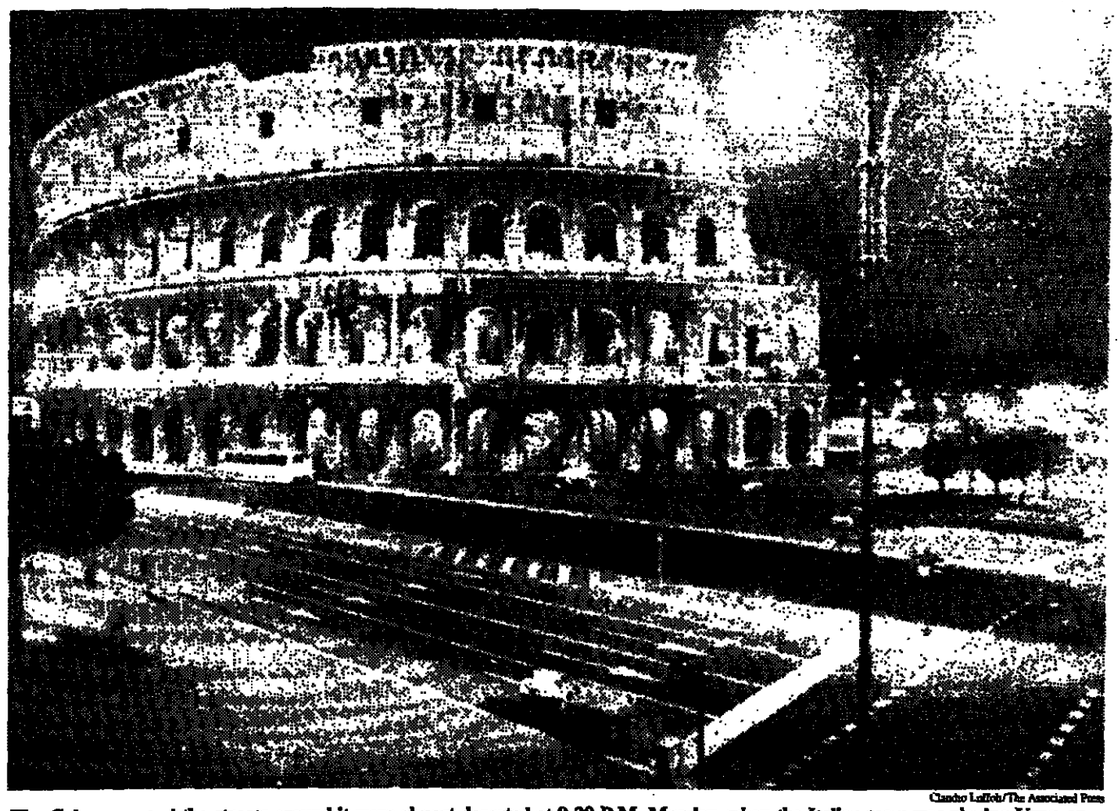
Pages 14 and 15 had wrap-ups of the Germany-Netherlands match on Sunday. Page 16 was about Cameroon, including some theories that seemed to come from an odds-maker's school of physio-anthropology.

Page 17 had an advance for Tuesday night's England-Belgium match. *Page 18 was about the inequities of ticket prices.* Page 19 had *an advance for Tuesday's Spain*-Yugoslavia match.

After advertisements, Page 21 had the latest gossips from the soccer *marketplace for next season.* The following nine pages had advertisements and news of other sports, all of it in black and pink.

All day long, people read the papers and talked about the Azzurri and what they now see as the inevitable final match with West Germany a week from Sunday.

By winning four matches, by giving up no goals, the Azzurri have united a nation in hope. Anything less than the World Cup championship will be a national sadness.



Claudio Luffoli/The Associated Press

The Colosseum and the streets around it were almost deserted at 9:30 P.M. Monday, when the Italian team was playing Uruguay.

It's a New Yugoslavia in Quarterfinals

Compiled by Our Staff From Dispatches

VERONA — Yugoslavia's players, exhausted by the heat of battle with Spain and the furnace-like atmosphere of Marcantonio Bentegodi stadium in Verona, took a well-earned rest Wednesday before gearing up for their quarterfinal match Saturday against Argentina.

"I think the fact that we are now into the knockout stage favors the underdogs," midfielder Safet Susic *said before the team was to depart* to set up their training camp at Montecatini near Florence. "We've got at least a 50-50 chance."

Yugoslavia, having overcome a weak start, has lived up to earlier predictions that it could be one of the surprise teams at the finals.

Two goals by midfield star Dragan Stojkovic, one in the 78th minute and one on a brilliant free kick *two minutes into overtime,* gave his team a 2-1 victory over Spain on *Tuesday night and Yugoslavia its* biggest World Cup success since *reaching the semifinals in 1962.*

Much of Yugoslavia's success must go to its 48-year-old manager, Ivica Osim, who had a simple but effective game plan.

With the afternoon heat reaching 32 centigrade (90 Fahrenheit) in the shade, Osim's team let Spain monopolize the ball and withdrew into a well-organized defense.

Spain was forced to attack, and created most of the chances of scoring. But its futile offensive finally sapped its strength. After Stojkovic's second goal two minutes into extra time, there was little spirit left in the exhausted Spaniards.

While the victory may not have been pretty, the Yugoslavs' played cleverly and efficiently, qualities not usually associated with past Yugoslav teams.

Always a big exporter of soccer talent, the Yugoslavs had the reputation of being unpredictable and unsteady, capable of beating anyone on a given day but equally susceptible to upsets.

Osim, calling up eight players based abroad and rich in experience, has managed to instill some uncharacteristic discipline into the team's game and a tactical sense that had been lacking.

Before the match against Spain, he had repeatedly urged his players to be patient and wait for Spanish mistakes. He said he had feared that his players would not have the nerve to go through with the plan.

But they did.

"We carried out all that Osim asked us to do to the letter," said Stojkovic, who praised a "maximum team effort."

Osim "had been talking to us, telling us that we can do it," Stojkovic said. "He restored our self-confidence, which had been shaken by the defeat against West Germany," a 4-1 rout in the opening match.

Technically, the Yugoslavs have always been recognized as among the best in Europe. But their teams *had lacked endurance,* and had preferred a slower kind of game *with short passes.*

Osim changed that by bringing *in players whose technical skills are* perhaps not as great but who are fit *to run for 90 minutes.*

That has often left such mercuri*al stars as Dejan Savicevic on the* bench, while the defense has been strengthened. Osim also managed, against Spain at least, to convince Stojkovic, Susic, Dejan Savicevic and the other stars to use their skills for the benefit of the team.

The recall of Susic, at 35 the *veteran of the squad, has given a* poise and stability to the midfield while *the strong-running* Savicevic is the perfect foil for the languid skills of Stojkovic.

Argentine manager Carlos Bilardo, who watched Tuesday's match, said, "We are going to have to build a midfield barrier against Stojkovic and Susic."

*Stojkovic, who will join Mar*seille next season, can win matches almost on his own and a fascinating duel with Diego Maradona is in prospect.

"Beat Argentina? Why not?" Stojkovic said. "I think we can do it, though first of all we should be proud of being among the best eight countries in the world."

Pascal George/Agence France-Presse

Stojkovic being congratulated by Susic, right, and Zoran Vulic.

Havelange Says Africa To Get 3d Team in '94 At Expense of Europe

The Associated Press

ROME — FIFA's president, João Havelange, says Africa has earned a *third spot in the 1994 World Cup* finals, at the expense of Europe, *following Cameroon's extraordi*nary success at this tournament.

"Africa will automatically get one more place," Havelange said in an interview published Wednesday by La Gazzetta Dello Sport. "It deserves it. That place will be taken away from Europe."

The North and Central American region and Asia will also get a chance to increase their participation to three teams from two, *but* only through a special qualifying *series with South American* and European nations, he said.

Europe and South America got 18 of the 24 spots in these finals.

Cameroon was unbeaten *in its* first-round matches of the 1982 *World Cup finals,* but failed to advance with three points from draws. Algeria and Morocco have also made strong showings in the last decade to bolster the continent's claim for better representation.

In addition, Costa Rica also stunned its European opponents by advancing to the second round before falling to Czechoslovakia.

Europe's domination, meanwhile, has slipped. Half of the eight teams eliminated from the World Cup *after the first round* were European.

Discussing the development of soccer in the Third World, Havelange said, "It should have more places in the final phase."

Although the change got Havelange's blessing, FIFA will make a final decision on the issue at a meeting in December.

But soccer's "developing nations" were not a total success in Italy.

The two Asian qualifiers — South Korea and the United Arab Emirates — and the United States lost all three games as they were eliminated in the first round.

Asian teams and those from the North and Central American re*gion will have to go through a more* complicated procedure than African teams to get another spot in the finals since their results have not been as outstanding as Africa's, Havelange said.

For these nations, "which are not as developed as Africa, the additional place will be disputed respectively with Europe and South America through home and away playoffs," he said.

AFP

CANCELED — A million of these stamps were printed. Now, the Dutch post office says, all but one sheet of 100 will be destroyed.

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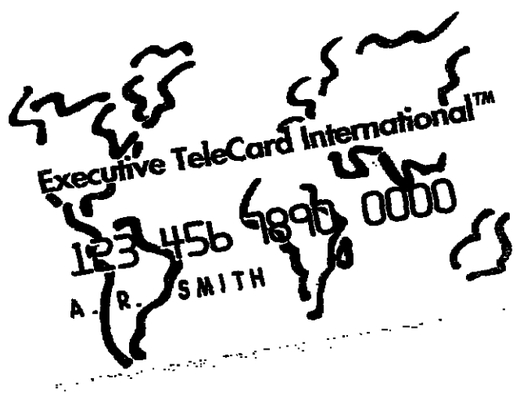

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Oh, Calcutta, Black and Blue

Reuters

CALCUTTA — Hundreds of Indian soccer fans have beaten up power department officials and demanded the state government's resignation after electricity cuts wiped the World Cup off their television screens.

"This government has failed totally. They cannot provide us with security, law and order, water. Now even the World Cup has been denied us. They should resign immediately," said Mamta Banerjee of the opposition Congress (I) Party, who led an assault by several hundred people on the headquarters of West Bengal's Marxist state government. *Another 500 people hauled officials out of power department offices,* spitting on them and beating them.

The soccer fans took to the streets when a power crisis Tuesday led all the electricity being cut off in the state capital, where India's top soccer teams play league matches every day in front of tens of thousands of people.

West Bengal power ministry officials blamed the crisis on the World Cup tournament and on neighboring Bihar state.

They said Bihar had asked for a small power transfer from West Bengal to keep its soccer fans happy. Bihar then drew 160 megawatts, tripping *the grid and blacking out television screens in both states.*

"I was woken up in the middle of the night for a sanction of five megawatts of power for Bihar which I granted, little realizing that they would draw so much to keep their televisions sets on for the World Cup," said West Bengal's power minister, Probir Sengupta.

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WORLD CUP WRAP-UP

Irish Official Seeking More Tickets

ROME (Combined Dispatches) — Ireland's minister of sport, Frank Fahey, flew in Wednesday to demand that FIFA provide 15,000 more tickets for Irish supporters at the Italy-Ireland quarterfinal match Saturday at Olympic Stadium.

"What I find difficult to understand is how they can tell us the morning after the Romanian match that all the tickets have been allocated and we are only to get 2,000," Fahey said before leaving Dublin.

"We're hoping to find out if they have all been allocated, who has them and how we can get them at face value. There will be lots of tickets at higher rates. We know that. But we want them at face value."

The Irish had not been expected to do so well in the finals and their fans failed to buy enough tickets for the quarterfinals because few thought the team would advance that far. *(AP, AFP)*

German and Dutch Penalties Upheld

ROME (AP) — FIFA on Wednesday affirmed the one-game suspension of West German striker Rudi Völler and slapped Dutch defender Frank Rijkaard with a three-game ban for their angry exchange at Sunday's match. The federation also confirmed the yellow card for West German midfielder Lothar Matthäus, booked for delaying the game.

Völler and Matthäus, accompanied by officials of the West German Soccer Federation, flew to Rome from the team's training near Milan to plead their case before FIFA's disciplinary commission. Wolfgang Niersbach, a spokesman for the German team, said that Völler and Matthäus were not questioned and that the commission had refused to watch videotapes made available by the federation, allegedly proving Völler's innocence.

Völler, barred from Sunday's match against Czechoslovakia, and Rijkaard must also pay fines of 20,000 Swiss francs ($14,300) each.

"It was an unfair decision as videotapes proved that the player had not committed any foul," said the team's manager, Franz Beckenbauer. "Of course, FIFA could not admit that one of its referees had been wrong."

Beckenbauer said Völler's penalty was a compromise because he might have been given a three-match ban if, like Rijkaard, he had been found guilty of violent play.

Pope Blesses Irish, and Is Serenaded

VATICAN CITY (AP) — Ireland's team got a blessing from Pope John Paul II at a Vatican audience Wednesday, then serenaded the 70-year-old pontiff, an avid sportsman in his youth, with an Irish fight song.

Luciano Mellace/Reuters

The pope speaking Wednesday with goalkeeper Pat Bonner and his Irish teammates.

"Best wishes to the Irish national team," John Paul said as several hundred Irish soccer fans and other pilgrims cheered. The Irish players, wearing their green and white sweatsuits, sat below the stage during the audience in the Paul VI auditorium.

Afterward, they met privately with the Pope, joined by their manager, Jack Charlton, and the bishop of Limerick, Monsignor Liam O'Boyle. They presented John Paul with a soccer ball autographed by all the players and a team pennant. Then, led by the bishop, they burst into "Come On You Boys in Green."

U.S. Team Also Fared Poorly on TV

NEW YORK (AP) — The three matches of the U.S. team were watched, on average, by fewer than 2 percent of American television households in which they were available, Turner Broadcasting said Tuesday.

The matches on Turner's TNT cable network averaged a 1.3 rating and a 4 share. The rating represents the percentage of total televisions that get the TNT network and the share is the percentage of those households that are watching television at the time.

The third U.S. match, a 2-1 loss to Austria last Tuesday, got a 1.0 rating and a 3 share and was watched in 473,000 homes. The second, a 1-0 loss to Italy, got a 1.2 rating and a 4 share and was watched in 555,000 homes. The first, a 5-1 loss to Czechoslovakia, got a 1.8 rating and a 6 share and was watched in 858,000 homes.

Lazaroni Signs to Manage Fiorentina

RIO DE JANEIRO (Reuters) — Sebastião Lazaroni, coach of Brazil's beaten team, has signed a two-year contract with the Italian club Fiorentina for $300,000 a year, Brazilian newspapers reported Wednesday.

Lazaroni returned to Brazil on Wednesday morning with nine members of his team but left the airport by a back entrance.

No security had been arranged at the airport and both players and team officials had to force their way through an angry crowd of about 100 fans while fending off questions from journalists.

In England, a Boom in Pizza Eaters

LONDON (Reuters) — Pizza deliverers struggled to meet demand Tuesday night as soccer fans, loath to quit their televisions during England's 1-0 victory over Belgium, sent out for Italian-style sustenance.

"We've had to lay on three extra drivers and one or two in-store staff," said Andy Walsh, an employee of a north London pizza restaurant.

Other pizza outlets also reported a surge in orders when the English and Belgian teams broke for halftime.

For the Record

Referees named by FIFA on Wednesday for the quarterfinals: Argentina vs. Yugoslavia, Kurt Röthlisberger of Switzerland; Italy vs. Ireland, Carlos Silva Valente of Portugal; West Germany vs. Czechoslovakia, Helmut Kohl of Austria; England vs. Cameroon, Edgardo Codesal of Mexico. Twenty of the 36 referees at the finals were sent home, six because they are from countries qualifying for the quarterfinals. *(Reuters)*

Italian striker Gianluca Vialli did not practice Wednesday because he has the flu, but is expected to be ready for Saturday's quarterfinal match against Ireland. *(AP)*

Lothar Matthäus of West Germany has agreed to extend his contract with Internazionale Milan, due to expire at the end of next season, for another two years, club officials said Wednesday. They said Matthäus would receive almost $1 million annually for the last two years. *(Reuters)*

Belgium is unlikely to ask for the early extradition of the English fans convicted of manslaughter during the 1985 riot at Brussel's Heysel stadium, a justice ministry spokeswoman said Wednesday. She said the ministry would probably be satisfied if they served their sentences in British prisons. *(Reuters)*

Gnats in Olympic Stadium in Rome pestered spectators and players alike during Monday night's Italy-Uruguay match. Ciro Ferrara, an Italian defender, said, "At one point, I turned around to see the VIP stand and I saw all the people trying to slap the gnats." *(AP)*

Charles Platiau/Reuters

David Platt was elated as teammate Steve Bull ran up with congratulations, and Belgian goalkeeper Michel Preud'homme sat in despair.

The Goal for Bryan, Touch of Sweetness

By Michael Janofsky
New York Times Service

BOLOGNA — The goal finally came not quite 30 minutes from the time the squadrons of police moved into the aisles of Dall'Ara stadium.

Barely 20 seconds remained in the half-hour overtime when Steve Platt scored to put England into the quarterfinals of the World Cup.

Had Platt failed, and heaven knows how many other failures England and Belgium had in one of the most absorbing matches of the tournament, the parade of penalty kicks would have ensued, putting a greater strain on Bologna's finest.

As it turned out, the English will now meet the Indomitable Lions of Cameroon on Sunday in Naples, and the English fans mostly behaved themselves, perhaps happy in the knowledge they have a reason to stick around a few more days.

It has become nearly impossible to discuss the English in this year's tournament without a footnote on their fans. Many of those supporters have distinguished themselves, to say the least, drawing the attention of local police agencies in a variety of Italian locales.

Mostly, it has been for antisocial behavior, like excessive drinking, fighting and vagrancy.

Happily enough for the tournament, the considerable presence of policemen near and in every stadium in which the English have played has facilitated incident-free matches, as the case was again Tuesday night.

The match, too, was relatively incident-free, with each team nullifying the other's attempts to erase a scoreless draw until the very end.

From the Belgian standpoint, in the most general terms, it was the absence of anyone open and close enough to the goal for Vincenzo Scifo to deliver the ball to. Belgium's players — most notably Eric Gerets, a gritty fullback — were marvelous on defense.

And they slid the ball through the midfield easily enough. But far more often than not, their plays died from there.

The gallant Belgian goalkeeper, Michel Preud'Homme, the ultimate victim of Platt's effort later on, barely had to extend himself even once for a difficult save.

As for the English, they had the excuse, of course, of playing without their field general of many years, the 33-year-old Bryan Robson, who was home receiving treatment for an injured Achilles' tendon.

So there was a touch of sweetness in the fact it was Platt, a 24-year-old midfielder, a 71st-minute substitute, who scored. He was replacing Steve McMahon, who was playing for Robson, whose return for subsequent matches is up in the air.

"We were all sorry to see him go," Bobby Robson, the English coach, said of Bryan Robson, who is no relation to him. "I know that Platty was pleased to get the goal for him."

Until that point, it had not mattered a great deal who was playing in the middle for the English. While Des Walker, Paul Parker and Terry Butcher were making fine nuisances of themselves along the back line, they often had to deliver the ball up the wings to the strikers, Gary Lineker and John Barnes, and Lineker and Barnes had a miserable time of it.

Once, late in the first half, Barnes seemed to have reached the net, taking a nifty centering pass from Lineker and depositing the ball past Preud'Homme from eight meters out. But it was ruled that an offside infraction had occurred.

"I thought it was a perfect goal," Bobby Robson said. "John Barnes said at the halftime that he thought it was a good goal. He had a player on his shoulder, on side, and it looked to me to be a legitimate goal."

Neither team had such an opportunity again until the expiration of overtime was approaching.

In keeping with the waxes and wanes of momentum, it seemed to be the English turn as the extra period began. Although Butcher and Walker were hurting with fresh injuries and less effective, they and Parker kept pushing the ball forward, and Walker just missed on one shot, skipping the ball past the right post from about 25 meters.

The seminal play came a bit later, when Paul Gascoigne was fouled by Gerets in midfield, gaining the English a free kick from 40 yards away.

On the free kick, Gascoigne moved on the ball from the left and sent it toward Platt, halfway to the goal on his right. Platt caught the ball waist-high with his right foot and sent it in.

Festive Bologna: 'It's Never Like This'

By William Gildea
Washington Post Service

BOLOGNA — The match was played against a backdrop of intense police security as the arrival of England's fans disrupted life in this normally placid city, home of a university founded in 1050, the world's oldest. Streets normally filled with students were packed with youthful soccer fans from both England and Belgium.

The rowdies among the English fans had led authorities to take mammoth security precautions. Some 5,000 police, many with rifles at the ready, had been brought in from around Italy. They outnumbered the 3,000 to 4,000 English fans.

Late Tuesday afternoon, the downtown train station was tense as hundreds of policemen separated arriving English and Belgian fans, ushering them in separate directions. Many of the English were searched. Hundreds were packed tightly into orange buses taken over by police from the local transit company.

Each bus or two was escorted by a squad car and trailed by a police-filled van. Each van had a roof opening manned by a helmeted policeman carrying a rifle.

In contrast, the hundreds of Belgians spent a leisurely, fun-filled day in the city's main square, many sitting on the steps of the Duomo. They cavorted in front of the great church, many having wrapped themselves in their country's black, yellow and red flags. Some had their faces painted black, yellow and red. A particularly robust man, wearing a black derby, yellow shirt, yellow wool scarf and black trousers, led cheers and sang songs. At one point, he serenaded an elderly Italian woman, who laughed in approval.

Belgian fans seated at an outdoor restaurant frequently echoed the chants of their countrymen on the church steps. Police, standing by in droves, clearly enjoyed the good time.

But when it came to policing the English, it was serious business. The sheer numbers of officers appeared to surprise the English as they stepped off trains. Police manned the platforms and interior of the station.

One Englishman, who said he was from Nottingham, told people as he passed through the train station: "I am an English supporter, but I am not a hooligan."

Outside the main entrance, where taxis normally line up, there were ranks of policemen and rows of squad cars and police trucks.

The English fans were taken to a park in the northern section of Bologna where a tent camp had been erected by city officials. From there, if they had tickets, they were able to take other buses to the stadium, where they were segregated from Belgian fans.

Before reaching the stadium's gates, fans had to pass through two police blockades and were searched at both. Shops along the narrow streets to the stadium were shuttered, as were numerous houses. "Normally on match days, people buy things in these stores," a resident said. "It's festive. It's never like this."

At times before the match, one official said, there were some attempts by groups of English and Italian fans to provoke each other. But the hundreds of police on duty prevented words from turning into brawls, he said.

Most of the Belgian and English fans were seated in the southern end of the stadium, separated by a line of carabinieri standing three-deep from the first row of seats to the top.

All appeared to go smoothly except for a brief flare-up between the end of the regulation 90 minutes and the overtime.

Then, some English fans sitting just below a large section of Belgian fans began throwing things at the Belgians. The Belgians moved away, and about 60 riot police moved into the seats they had occupied to form a wall between the two groups.

After the match, about 250 police surrounded the English fans and kept them in their seats, as has become custom at this tournament.

The Belgians left first. The English fans then were ushered out, surrounded by hundreds of police. They were put on the buses to be taken either to the train station so they could leave Bologna or to the park where they have been allowed to camp.

As they left the stadium, the fans chanted and sang and waved flags. The flashing blue lights of police cars glinted off the shiny helmets of the riot police. Helicopters clattered overhead.

"It's rubbish," one English fan said as he surveyed the scene. "I'm just ashamed of it."

Another fan, Julian Dargavel, 56, of London, agreed.

"The problem is it's the minority that causes the problems for the vast majority of decent football supporters," he said. "I think the police have handled it very well. They've got it well organized."

Saniago Lyon/Reuters

A policeman directed English fans onto a bus at the train station.

Belgians: 'It's Hard to Accept Defeat'

Reuters

BOLOGNA — The Belgian players felt as cheated as the Brazilians at having been forced to bow out of the World Cup in the second round.

"Now Belgium and Brazil — two teams which deserved to go further — are out of the World Cup," Guy Thys said on Wednesday. "I have coached Belgium in 108 matches and this was one of the very best."

Brazil went out when Argentina's Claudio Caniggia scored 10 minutes from the end of that match.

The Belgians' fate was even more cruel. English substitute David Platt torpedoed their hopes one minute before the end of overtime.

"Bad luck exists," Thys said. "We dominated three-quarters of the match and the team played magnificently. We hit the post twice. It just wasn't our day, but I am very proud of the side.

"We can hold our heads up high."

The players were returning home Wednesday, to be welcomed by Prime Minister Wilfried Martens.

"Only now am I starting to realize what happened last night," said veteran captain Jan Ceulemans, who hit a post with a shot early in the match.

"It's hard to accept. The English were just waiting for the penalty shoot-out," he said.

"It hurts," said defender Stephane Demol. "This just shows you don't really have to play well to win. If we play this match 10 times again, we would win it nine times." Thys said Enzo Scifo, criticized in the past few years for playing too selfishly and slowly, had been outstanding this time.

"He played much better than I had hoped he would," Thys said.

Scifo said: "I don't really care. I'm just too disappointed. We were the better team and it is hard to accept defeat.

"Losing like this, a goal in the last minute, is the worst thing that could have happened to us," he said.

Thys said he was no longer interested in watching the rest of the tournament. "It would only give me a bad feeling," he said.

Thys bowed out as national coach last July after heading the Belgian team for 101 matches, but was asked to return following the dismissal of his successor, Walter Meeuws.

Tys refused to comment on his future, but the president of the Belgian soccer union, Michel D'Hooghe, said he would give more details on Saturday.

Both Ceulemans and defender Leo Clijsters said their international careers were over.

Agence France-Presse

Belgian goalkeeper Michel Preud'homme was disconsolate.

And in Mexico, the Loss Is Felt Just as Keenly

The Associated Press

TOLUCA, Mexico — Twenty-six youthful cases of abandonment and mistreatment sat gloomily in front of the television set, mourning the outcome of a soccer match played half a world away.

A few years ago, these children would have had eyes only for the food on the table in front on them. But on this day, quenching appetite wasn't so important. Belgium had just lost, 1-0, in overtime to England in the World Cup finals, providing another harsh lesson of life for the children of Casa Hogar.

"All the good ones are losing," one of the boys sighed.

These boys, who once roamed the streets, now have a place to live, food to eat, clothes to wear, books to study and a television to watch. It all came to them, like in a fairy tale, from Belgian soccer players. It just wasn't fair, the boys reasoned, for such good men to lose.

The players and the children found each other four years ago, when Belgium came to Mexico City for the cup finals. Dr. Michel D'Hooghe, president of the Belgian Football Association, recalled the day he and several players strolled the streets and were shocked at the misery they encountered.

"We all agreed we had to do something for the children of the street," D'Hooghe.

They began the Red Devils' Home Foundation, or Casa Hogar. They pooled their money and put the touch on some players from other teams to get things started.

"There are so many children without shelter there," D'Hooghe said in a recent interview in Italy. "The only roof they have is the sky and the only warmth, the sun. The project has become the most important work of my life."

The state contributed land and the Belgians built a huge single-story glass and concrete house. Dr. María Estela Sánchez and her psychologist husband, Dr. Pedro Rivera Muñóz, head the staff of five that watches over children ranging in age from 5 to 15.

Belgian sponsors provide $125,000 a year to pay for the expenses of today — and tomorrow.

"There's no point in starting something, expanding it and then have the funds dry up and have to shut it down," D'Hooge said. "You can't provide a home for a child, and when they are 18 tell them they are on their own from then on in. We also have the responsibility to provide the bridge."

D'Hooge said a goal of the program is to allow each boy to visit his sponsor in Europe when he is 17 or 18 years old.

"When he is 17 and he comes to meet his sponsor, perhaps he will receive his first little job, and who knows what that will lead to," he said. "I hope that eventually some of our boys will become doctors or engineers and eventually take a direct hand in the running of Casa Hogar."

Goal Scorers

Five — Tomas Skuhravy, Czechoslovakia.

Four — Michel, Spain; Roger Milla, Cameroon.

Three — Jürgen Klinsmann, West Germany; Lothar Matthäus, West Germany; Salvatore Schillaci, Italy; Rudi Völler, West Germany.

Two — Gavril Balint, Romania; Michal Bilek, Czechoslovakia; Careca, Brazil; Davor Jozic, Yugoslavia; Marius Lacatus, Romania; Darko Pancev, Yugoslavia; Bernardo Redín, Colombia; Dragan Stojkovic, Yugoslavia.

One — Magdi Abdel Ghani, Egypt; Roberto Baggio, Italy; Uwe Bein, West Germany; Pablo Bengoechea, Uruguay; François Omam Biyik, Cameroon; Andreas Brehme, West Germany; Tomás Brolin, Sweden; Jorge Burruchaga, Argentina; Paul Caligiuri, United States; Claudio Caniggia, Argentina; Juan Arnoldo Cayasso, Costa Rica; Jan Ceulemans, Belgium; Leo Clijsters, Belgium; Marc DeGryse, Belgium; Michel De Wolf, Belgium; Igor Dobrovolsky, Soviet Union; Johnny Ekstroem, Sweden; Roger Flores, Costa Rica; Daniel Fonseca, Uruguay; Giuseppe Giannini, Italy; Ronald Gonzales, Costa Rica; Alberto Górriz, Spain; Ruud Gullit, Netherlands; Ivan Hasek, Czechoslovakia; Mo Johnston, Scotland; Ali Thani Juma'a, United Arab Emirates; Wim Kieft, Netherlands; Ronald Koeman, Netherlands; Lubos Kubic, Czechoslovakia; Hwang Bo Kwan, South Korea; Gary Lineker, England; Pierre Littbarski, West Germany; Milan Luhovy, Czechoslovakia; Stuart McCall, Scotland; Hernán Medford, Costa Rica; Pedro Monzón, Argentina; Khalid Ismail Mubarak, United Arab Emirates; Muller, Brazil; Bruce Murray, United States; Andreas Ogris, Austria; David Platt, England; Robert Prosinecki, Yugoslavia; Oleg Protasov, Soviet Union; Niall Quinn, Ireland; Freddy Rincón, Colombia; Gerhard Rodax, Austria; Enzo Scifo, Belgium; Aldo Serena, Italy; Kevin Sheedy, Ireland; Julio Salinas, Spain; Glenn Stromberg, Sweden; Safet Susic, Yugoslavia; Pedro Troglio, Argentina; Carlos Valderrama, Colombia; Patrick Vervoort, Belgium; Mark Wright, England; Alexander Zavarov, Soviet Union; Andrei Zygmantovich, Soviet Union; Mauricio Montero, Costa Rica, own goal.

THE WORLD CUP SHOWDOWN

QUARTERFINALS
Sun, June 24, Turin, 1500 GMT
BRAZIL 0
ARGENTINA 1

Tue, June 26, Verona, 1500 GMT
SPAIN 1
YUGOSLAVIA 2

Mon, June 25, Genoa, 1500 GMT
IRELAND 5
ROMANIA 4
0-0 after extra time, Ireland won in shoot-out

Mon, June 25, Rome, 1900 GMT
ITALY 2
URUGUAY 0

QUARTERFINALS
Sat, June 30, Florence, 1500 GMT
ARGENTINA
YUGOSLAVIA

Sat, June 30, Rome, 1900 GMT
IRELAND
ITALY

SEMIFINALS
Tue, July 3, Naples, 1800 GMT

SEMIFINALS
Wed, July 4, Turin, 1800 GMT

FINAL
Sun, July 8, Rome, 1800 GMT

THIRD PLACE
Sat, July 7, Bari, 1800 GMT

QUARTERFINALS
Sun, July 1, Milan, 1500 GMT
CZECHOSLOVAKIA
W. GERMANY

Sun, July 1, Naples, 1900 GMT
CAMEROON
ENGLAND

Sat, June 23, Bari, 1900 GMT
CZECHOSLOVAKIA 4
COSTA RICA 1

Sun, June 24, Milan, 1900 GMT
W. GERMANY 2
NETHERLANDS 1

Sat, June 23, Naples, 1500 GMT
CAMEROON 2
COLOMBIA 1

Tue, June 26, Bologna, 1900 GMT
ENGLAND 1
BELGIUM 0

SPORTS

Mets Nail Coleman And Rally to Beat Cards in 11th, 8-6

Compiled by Our Staff From Dispatches

When you're going good, you even catch Vince Coleman stealing.

And the New York Mets did that Tuesday night after the sprinting star of the St. Louis Cardinals had stolen 57 bases in six years without being caught by them.

History will note that Coleman was finally nabbed by Mackey Sasser, who told Coleman last week in New York, "I swear I'll get you before you steal 100 on us."

But the Mets' victory over Coleman was merely a prelude to their 8-6 victory over the Cardinals, which they completed with typical flourishes in the 11th inning.

They lost the lead in the ninth inning when Todd Zeile hit a homer off John Franco for a 6-6 tie. But they came back to win it two innings later when Keith Miller and Dave Magadan singled with two out and Howard Johnson doubled for two runs.

The Mets came out soaring. When they nudged one run home in the first inning, it was the 12th time in their last 14 games that they had scored the first time they batted.

Coleman opened the home half with a single. But when he tried to steal second on Darling's first pitch to Willie McGee, the Mets finally settled an old score.

Sasser sprang up firing, then Kevin Elster took the throw slightly to the first-base side of the bag and tagged Coleman as he slid in.

Pirates 1, Phillies 0: In Pittsburgh, Bob Patterson and two Pittsburgh relievers ran Philadelphia's scoreless streak to 22 innings and Jay Bell's eighth-inning single drove in the only run.

Expos 6, Cubs 5: In Chicago, rookie Jerry Goff led off the ninth with a pinch home run, his first in the major leagues, to lift Montreal to its sixth victory in eight games.

Goff's homer came on a 3-2 pitch off Les Lancaster. It was the 12th loss in 15 games for the Cubs.

Braves 4, Dodgers 2: In Atlanta, Steve Avery, a 1988 first-round draft pick making his third major league appearance, scattered four hits over seven innings.

Avery, after yielding a single in each of the first two innings, did not allow another hit until Jose Gonzalez, pinch-hitting for Mike Morgan, singled with one out in the seventh.

Reds 3, Giants 2: In Cincinnati, Matt Williams's throwing error let Herm Winningham score the winner in the bottom of the 12th for the Reds' fourth straight victory.

Williams fielded Jeff Reed's sacrifice bunt toward third and threw wildly to first, sending San Francisco to its sixth loss in seven games.

Padres 7, Astros 0: In Houston, Dennis Rasmussen pitched and hit his way to his sixth consecutive victory over the Astros, and Bip Roberts had three doubles among four hits and two RBIs for San Diego.

Rasmussen pitched his third complete game and his first shutout of the season. He also had two hits and an RBI.

Red Sox 3, Blue Jays 0: In Boston, Carlos Quintana hit a two-run homer and Wes Gardner held Toronto to two hits in six innings as Boston won its fifth straight and increased its division lead over the Blue Jays to 1½ games.

Yankees 8, Brewers 2: In New York, Steve Balboni singled home the tie-breaking run in the seventh and hit another RBI single during a five-run eighth. Balboni's hit off Dennis Powell broke a 2-2 tie and pinch-hitter Matt Nokes's three-run homer highlighted the eighth against Chuck Crim.

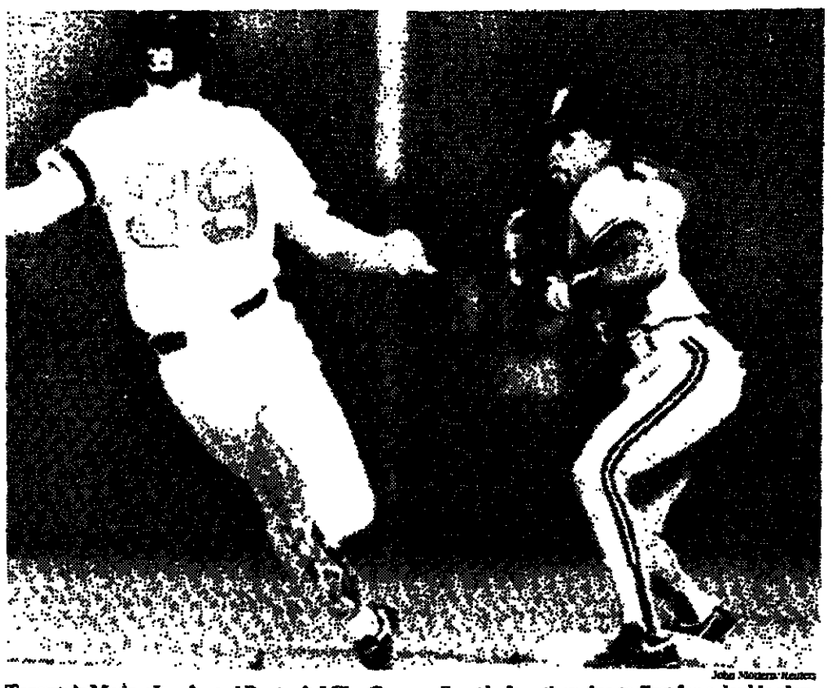
Twins 5, Rangers 4: In Minneapolis, Minnesota rallied for two runs in the bottom of the eighth inning on Dan Gladden's double, Gene Larkin's triple and Gary Gaetti's sacrifice fly.

Indians 5, Orioles 3: In Baltimore, Sandy Alomar's two-out single scored pinch-runner Stan Jefferson with the tie-breaking run in the ninth as Cleveland handed the Orioles their fifth straight loss.

Athletics 3, Tigers 2: In Oakland, California, Scott Sanderson checked Detroit on two hits and two unearned runs over six innings and sacrifice flies by Mark McGwire and Mike Gallego drove in key runs.

Royals 4, Mariners 1: In Seattle, Tom Gordon pitched a six-hitter over eight innings for his third straight victory and Bo Jackson hit a two-run homer. *(NYT, AP)*

BASEBALL ROUNDUP



John Moriarty-Reuters

Toronto's Manny Lee forced Boston's Mike Greenwell out before throwing to first for a double play.

Chisox Blow a 9-1 Lead But Get 'Ugly' Victory

The Associated Press

ANAHEIM, California — "Winning Ugly" was the Chicago White Sox motto in 1983, the last time they won a division title. The phrase may come into vogue again.

Despite blowing a 9-1 lead on Tuesday night, Chicago came back to beat the California Angels, 11-9, on a pair of ninth-inning runs. But it was ugly, with 17 runs scored off 10 pitchers in the last four innings.

Mark Eichhorn, California's fourth pitcher, struck out Steve Lyons to start the ninth but Scott Fletcher and Ron Karkovice singled. Sammy Sosa forced Fletcher at third, but Ozzie Guillen singled to break a 9-9 tie. Lance Johnson followed with his fourth single for another run.

"What a crazy game that was," said Chicago's manager, Jeff Torborg. "You have to give both teams a lot of credit. It was easy to shut them down 9-1, but they kept coming."

The White Sox, who won their sixth in a row, scored seven runs in the sixth inning, including two-out home runs by Ivan Calderon and Ron Kittle, to get an eight-run lead.

"Tonight we were up by so much, it was just a matter of taking things for granted," said Bobby Thigpen, the sixth and final Chicago pitcher, who increased his major-league-leading save-total to 25. "The Angels are capable of scoring a lot of runs like we did. They came back and made it interesting, but we didn't give up."

Neither did the Angels. They fought back in the seventh, scoring six runs on only four hits against five Chicago pitchers. Chili Davis greeted Scott Radinsky with a two-out, two-run, bases-loaded single that sliced a 9-2 deficit to a single run.

But winning pitcher Barry Jones, who has built a 9-1 record out of the bullpen, caught John Orton looking at a third strike with two men on for the third out.

Jones surrendered the tying run in the eighth without the benefit of a hit, after substitute first baseman Lyons dropped a throw from Guillen for an error. Dante Bichette then scored his third run of the game on a walk, a sacrifice bunt and a sacrifice fly by Luis Polonia.

Mother Files Charge Against Braves' Presley

The Associated Press

CONYERS, Georgia — Atlanta Braves third baseman Jim Presley was arrested Tuesday on a battery charge brought by his mother, Lucinda Brazel.

Presley allegedly yelled at her and pushed her when she arrived unannounced at his apartment at 1 A.M. on Tuesday after traveling from her home in Pensacola, Florida, according to the police. The police said Brazel was bruised from the incident.

Presley, who lives with his wife and son in Conyers, near Atlanta, learned of the warrant at 3:30 P.M. when he reported to the Atlanta stadium for Tuesday night's game with the Los Angeles Dodgers.

Presley went to the Rockdale County jail, where he posted $1,000 bond and was released. He returned to the stadium but did not play.

Reported Deal With A's Would Give Canseco Top Salary in Baseball

The Associated Press

OAKLAND, California — The Oakland Athletics have reached a verbal agreement with Jose Canseco that will make him the highest-paid player in baseball, according to Canseco's agent.

Sandy Alderson, Oakland's vice president for baseball operations, confirmed Tuesday that the parties had agreed to a deal, but did not specify the contract's details.

"Assuming we sign the contract tommorrow, we are very happy," he said. "But there are some substantial risks involved, something of this magnitude, of this importance, always involves controversy and different viewpoints."

Rick Thurman, Canseco's agent, said the agreement was for five years, but would not disclose the money involved. Neither would the 25-year-old outfielder.

"You already know the number of years," Canseco said before Oakland's game with Detroit on Tuesday night. "You'll know the amount tommorow. I can't say any more. You don't want me to get into trouble, do you?"

On Friday, Canseco said that he had reached an agreement with the Athletics on the dollar amount and that only minor details of the deal needed to be worked out.

When asked if the deal would make him the highest-paid player in the game, Canseco said, "That should be the obvious."

On Tuesday, Thurman agreed with his client's assessment.

"The contract by far will make him the highest-paid baseball player," he said. "It is the biggest contract there is."

If so, Canseco would overtake Don Mattingly of the New York Yankees, who signed a five-year, $19.6 million deal in April, as the game's highest-paid player.

"The A's are happy, Jose is happy and we're happy," Thurman said.

A recent newspaper report estimated the deal to be worth more than $23 million. Another disclosed that Canseco's side opened the negotiations by asking for $20 million over four years and that the A's countered with an offer of $20 million over five years.

The agreement was reached after more than a month of negotiations, during which Canseco spent 15 days on the disabled list with a back injury.

AP

Canseco: 'Biggest' deal ever?

"The A's dealt in good faith," Thurman said. "I think they really wanted Jose. I know he really wants to stay in Oakland."

If the reports are accurate, the deal will make Canseco the fourth A's player to earn more than $3 million a season, joining pitchers Dave Stewart and Dennis Eckersley and outfielder Rickey Henderson.

Stewart said Oakland was better off signing Canseco now instead of waiting for several teams to get involved in a major bidding war that could have driven up the slugger's price even higher.

"Give him the money," Stewart said. "I'm sure he's happy. A lot of baseball owners will be happy, too."

Since the beginning of the season, Canseco wondered openly what he might be able to accomplish playing in Toronto's Skydome or in New York's Yankee Stadium. He has complained that the Oakland Coliseum is not a hitter's ballpark.

Last month, however, he said he that he had just been joking, and that he really wanted to play in Oakland.

"I'd like to stay with Oakland the rest of my career," Canseco said. "I'd like to set and break records here for the fans."

In his first four seasons, Canseco was voted the 1986 American League Rookie of the Year and the 1988 American League Most Valuable Player, as well as becoming the first player ever to compile 40 home runs and 40 steals in the same season.

SIDELINES

Sports Officials Back Lottery Ban

WASHINGTON (AP) — A host of professional sports figures lined up Tuesday in support of congressional legislation aimed at thwarting state-sponsored lotteries based on professional games.

The National Football League commissioner, Paul Tagliabue, and top-ranking executives of major league baseball and the National Basketball Association said such betting would compromise the integrity of their sports.

The subject of the Senate Judiciary subcommittee hearing was a bill that would prohibit states from "sponsoring or operating any betting or gambling scheme based directly or indirectly on the games of professional sports organizations."

TAC Sets Inquiry After 3 Skip Tests

INDIANAPOLIS (AP) — Three track and field athletes who did not report for drug tests last month will be investigated for possible disciplinary action, The Athletics Congress said Tuesday.

The congress, the sport's U.S. governing body, did not identify the athletes. Eight others tested negative, and 17 were excused because of a lack of testing personnel within 75 miles (120 kilometers) of their residences, TAC said.

CBS-Big Ten Pact For Basketball

NEW YORK (UPI) — CBS Sports and the Big Ten Conference have agreed on an exclusive four-year contract to broadcast conference basketball beginning in 1991-92, it was announced Tuesday.

The agreement ensures from 10 to 20 annual appearances by Big Ten teams. ABC's exclusive rights to televise the conference's games expires after next season.

CBS has renewed its accord with the Big East, will be the primary network for Atlantic Coast Conference games in 1990-91, and has exclusive rights to the NCAA Tournament.

For the Record

Go and Go, the Irish-bred Belmont Stakes winner, was not among the 10 horses entered Tuesday for the Irish Derby. *(AP)*

BOOKS

MAGGIE: An Intimate Portrait of a Woman in Power

By Chris Ogden. 384 pages. $22.95. Simon & Schuster, 1230 Avenue of the Americas, New York, N. Y. 10020.

Reviewed by Vicki Barker

CHRIS OGDEN believes Margaret Thatcher is a historic figure. Many people believe Margaret Thatcher is a historic figure. They fall roughly into two camps: those, like Ogden, who see Britain's first female prime minister as the most profoundly influential force in British society since the Reform Act; and those who see her as the most profoundly influential force in British society since the Black Death.

Ogden, a Time magazine correspondent, plausibly paints Britain before Thatcher as a nation ripe for redemption, a bloated social welfare state paralyzed by timid leadership and union rapacity. Onto this ill-lit stage strides Margaret Roberts Thatcher, part technocrat, part avenging angel.

She rolls up her sleeves and slaps the country back into shape, streamlining the bureaucracy, reinvigorating the business community, igniting an entrepreneurial explosion and raising Britain's stature in the world.

No one is perfect. Ogden acknowledges that Thatcher has also kneecapped Britain's once-proud educational system; that she's a philistine who sees no need for art and little need for scholarship; that she's done her damnedest to dismantle the National Health System; that she's turned Britain into the pariah state for the European Community with her isolationist rhetoric, and inspired the first taxpayers' revolt since the 14th century with her much-loathed replacement of local property taxes by a flat per capita "poll tax."

Indeed, less charitable observers of the island kingdom might say that Margaret Thatcher has tinkered with its plumbing, and carved out its soul.

In "Maggie: An Intimate Portrait of a Woman in Power," the first Thatcher biography aimed at an American readership, Ogden struggles manfully to capture the person behind the grimly smiling public face. There is Margaret Thatcher the woman, laughing dutifully at Ronald Reagan's tired jokes, flirting with her latest protégé, dressing to please Mikhail Gorbachev. There is Thatcher the political animal, shrieking triumphantly over her defeated prey, beak and talons dipped in gore. There is Thatcher at work: rising before dawn, trotting briskly through a schedule rigorous enough for two prime ministers, whipping up omelettes for her shattered aides at midnight, before, like as not, sitting down to another round of paperwork.

For a biography that purports to be "An Intimate Portrait of a Woman in Power," it is striking just how few truly intimate moments there are. Ogden does obeisance at all the familiar roadside shrines: the impoverished childhood above the family grocery store; the adored, humorless father who drummed into his avid daughter the virtues of thrift, unceasing work and unshackled trade; the dogged climb from local to national politics; the move to Downing Street, and the methodical implementation of her monetarist vision.

One searches in vain for a moment of introspection, of self-doubt, of silliness even. Thatcher is not without eloquence, or a sense of the moment. Is it unfair to demand that a female leader possess an interior life, when so few of her male counterparts seem to?

It is hard to say how history will judge Margaret Thatcher. Plainly, it was going to take strong medicine to cure the Britain she inherited. There are critics in the center and on the left who charge she has irreparably damaged the social fabric of the country. It's hard to find critics to the right of Thatcher. Perhaps history will be more hardheaded. But then, history, as they say, is written by the victors.

"Maggie" is well written, well organized and well paced. If Ogden has teased no new insights out of his subject, it is most probably because there are no new insights to be had. With Margaret Roberts Thatcher, what you see is very much what you get.

Vicki Barker, a London correspondent for the NBC-Mutual Radio Networks, wrote this for The Washington Post.

BRIDGE

By Alan Truscott

FOUR years ago a young woman arrived in Santa Cruz, California to begin a doctoral course in mathematics and promptly called her mother for advice. Daughter: "I don't know anyone here. What shall I do until term starts?"

Mother: "You go to the nearest bridge club and play." The daughter made an appearance at the San Jose Bridge Club. A young Air Force officer promptly asked her to play the following week. He sat North and she sat South on the diagramed deal, in which he demonstrated the optimism of youth. The string of spade bids by North-South perhaps led their opponents to believe that a misunderstanding was coming. The five-diamond bid hit the target, but North, reluctant to play five of a minor at match-points, could not resist the temptation to continue. His eventual redouble was bravado that was unlikely to affect the score. East's double was significant, but his partner failed to recognize the Lightner request for an unusual lead. He should have taken a guess between hearts and clubs, with little to guide him, but selected a pedestrian spade. The declarer won in dummy, took two club winners discarding a heart, and surrendered a heart to East. As that player could not return a trump, the cross-ruff brought home the redoubled slam. South had prevailed because West could not hit on a red-suit lead, and because East did not have a trump to play at the fourth trick. Good fortune was clearly destined to smile on the North-South partnership and it did: last week, Bobette Hayden and Todd Thorsen were married.

NORTH
♠ —
♡ J876
♢ K1074
♣ AK563

WEST
♠ J873
♡ 1042
♢ 632
♣ 942

EAST (D)
♠ A10954
♡ AK95
♢ —
♣ QJ105

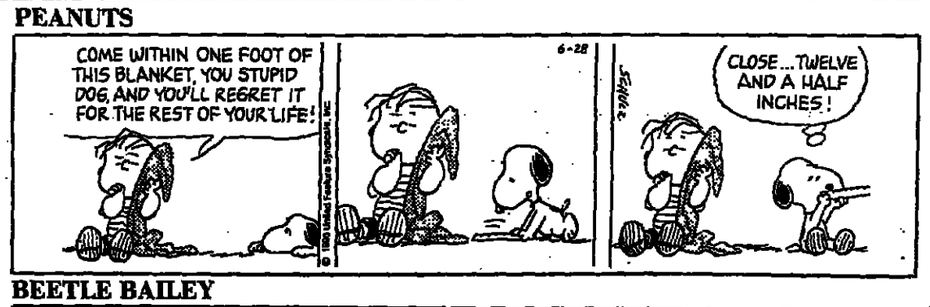
SOUTH
♠ KQ52
♡ Q3
♢ AQJ985
♣ 7

Both sides were vulnerable. The bidding:

East	South	West	North
1♠	2♢	Pass	2♠
Dbl.	3♠	Dbl.	4♠
Dbl.	5♢	Pass	5♢
Dbl.	Pass	Pass	Redble.
Pass	Pass	Pass	

West led the spade three.

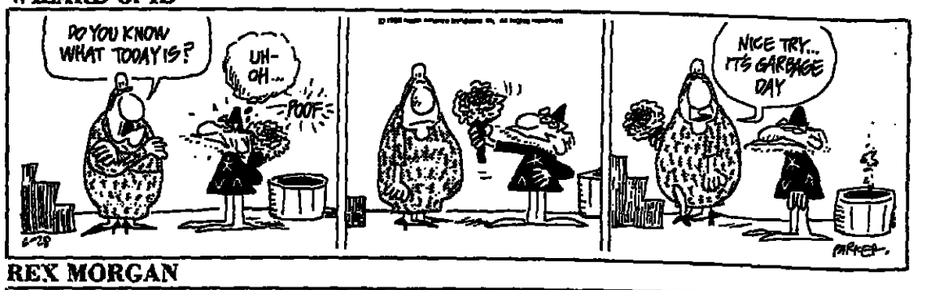
PEANUTS



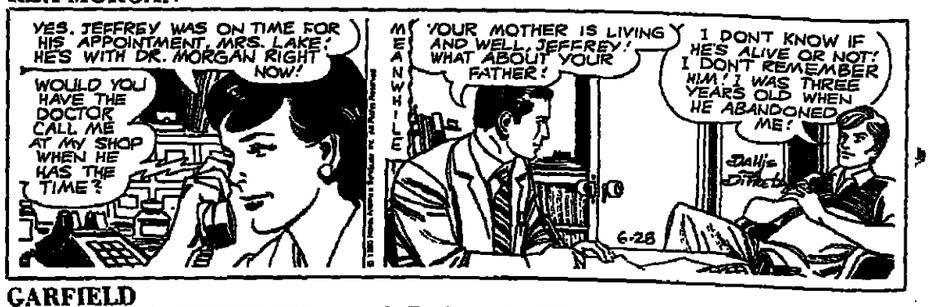
BEETLE BAILEY

ANDY CAPP

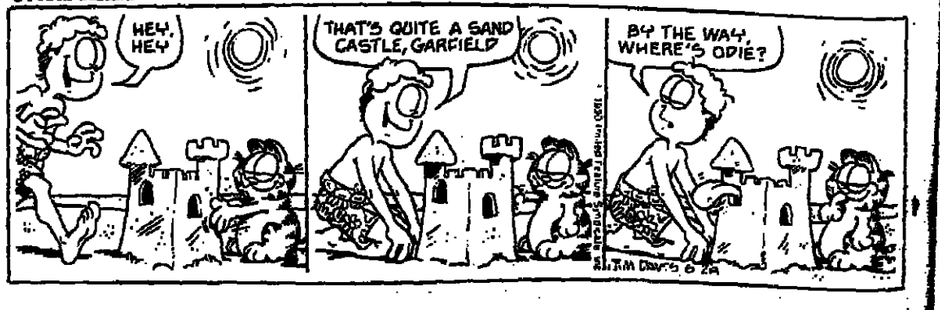
WIZARD of ID



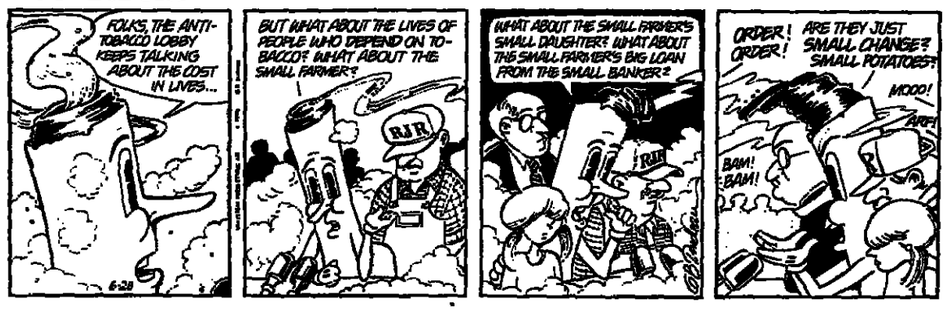
REX MORGAN



GARFIELD



DOONESBURY



DENNIS THE MENACE

"YOU SHOULD EAT SOME GOOD STUFF EVERY DAY, JOEY, JUST TO BE NICE TO YOUR TASTE BUDDIES."

JUMBLE

THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

HECAF

MASCK

FORTYS

LUFUES

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Print answer here: ____

(Answers tomorrow)

Yesterday's Jumbles: RANCH DICED BUTTON CRAFTY
Answer: You can draw this as long as you live — YOUR BREATH

BLONDIE

SPORTS

Dave Caulkin/The Associated Press

Boris Becker at first had trouble with his serve against Wally Masur, then played like the man who has won three Wimbledon titles.

Becker, Graf and Seles Triumph On a Calm Day for Top Players

The Associated Press

WIMBLEDON, England — After a day of uproar and upsets, calm returned to Wimbledon on Wednesday as the top players, led by defending champions Boris Becker and Steffi Graf, moved into the third round with relative ease.

Monica Seles and Jennifer Capriati, two of the prime teen-age challengers for Graf's title, also advanced but had to overcome second-set rough spots.

Becker especially seemed to jerk the tournament back to normal, a day after seven seeds — including three-time champion John McEnroe — were eliminated in the first round.

The men's second seed had trouble with his serve early against Wally Masur of Australia. But by the middle of the second set he looked like the player who has won here three times, diving after shots and sending rocket volleys into the corners to win, 6-7, 6-2, 6-3, 6-2.

Graf, going for her third consecutive Wimbledon title, followed Becker onto Center Court and beat Meredith McGrath of the United States, 6-3, 6-0, in 44 minutes. Graf lost only six points in the second set and closed the match at love on two service winners.

Seles, the hottest player in tennis and the newly crowned French Open champion, overcame some second-set trouble to defeat Camille Benjamin of the United States, 6-3, 7-5.

Benjamin overpowered the third-seeded Seles at times with her serve-and-volley game but simply lacked the consistency to win. She led the second set, 4-1, 40-0, but Seles came back to wrap up her 34th consecutive victory in straight sets.

The 14-year-old Capriati, seeded 12th, beat Julie Halard of France, 6-2, 7-6.

Capriati, who became the youngest Wimbledon winner on Tuesday when she won her first-round match, dropped her serve to go down 6-5 in the second set, but broke back and won the tiebreak, 7-2.

Fifth-seeded Zina Garrison of the United States also advanced. She beat Cecilia Dahlman of Sweden, 6-2, 6-1, losing just 14 points on her serve and winning the final six games after Dahlman broke for a 1-0 lead in the second set.

The women's 10th seed, Helena Sukova of Czechoslovakia, won the last three games to beat Nicole Jagerman of the Netherlands, 6-4, 4-6, 7-5, and Jana Novotna, the 13th seed, beat Carrie Cunningham of the United States, 6-2, 6-1.

Brad Gilbert, the seventh seed and the top American left in the upset-hit men's field, beat Danie Visser of South Africa, 5-7, 6-3, 6-2, 6-2.

Tenth-seeded Jonas Svensson of Sweden advanced with a 6-3, 6-3, 6-4 victory over Malavi Washington of the United States, and 11th-seeded Guy Forget beat Eric Jelen of West Germany 7-6, 6-7, 6-1, 6-2.

Derrick Rostagno, who upset McEnroe on Tuesday, also advanced, with a 6-1, 3-6, 6-4, 6-1 victory over Jeremy Bates of Britain.

As this year's hopefuls were winning, a one-time contender played her final singles match.

Hana Mandlikova, a finalist here in 1981 and 1986, was eliminated by Ann Henricksson of the United States, 6-3, 6-3. Mandlikova said before the tournament that she would retire from singles play after Wimbledon.

"I felt relieved and sad," Mandlikova said. "The only thing I'll ever regret is not winning here. It was my dream since childhood and I was in two finals."

In opening his title defense on Monday, Becker had had trouble keeping his feet on the slippery grass. He did better Wednesday, going 29 minutes before taking his first roll.

His serve was unsure in the first set. After staying on serve through the first 12 games, Becker gave Masur two set points on a double fault, and the Australian closed it with a forehand crosscourt volley.

Becker got going in the second set. He saved four break points to go up 4-1, and closed a set of six service breaks with a passing shot down the line.

That string of breaks continued when Becker went up 2-0 in the third set, then held for 3-0 on a dropshot. In the fourth set, the West German broke for 2-1 and 4-1 and held for the match at love — the last three points on two service winners and an ace.

WIMBLEDON

Kevin Lamarque/Reuters

Steffi Graf, above, gained the third round with relative ease although troubled off court, while Monica Seles hit a rough spot.

Reuters

Graf's Biggest Foe: Controversy Over Her Father

By Sally Jenkins
Washington Post Service

WIMBLEDON, England — Steffi Graf of West Germany has a number of tough opponents at Wimbledon, from second-seeded Martina Navratilova to French Open champion Monica Seles to 14-year-old Jennifer Capriati. But the toughest one may be the glare of publicity and controversy surrounding her family.

A West German model, Nicole Messner, was arrested last week for allegedly plotting to extort money from Graf's father, Peter, claiming that he had fathered her child. The West German and British tabloids have had a field day with the story, and the former Grand Slam winner clearly has been affected by it.

After defeating Claudia Porwik of West Germany in her first-round match, Graf said the reports had made it difficult for her to concentrate on tennis.

"It didn't make it easy, that's for sure," she said. "I had a tough time. But right now I'd like to think about tennis and what's going on here."

The story is likely to pursue Graf, however. In Wednesday's edition of the West German magazine Stern, Graf is quoted as saying that she may move to the United States to escape the media pressure she feels at home. She keeps a second home in Boca Raton, Florida.

It was the first interview in which Graf has discussed the controversy surrounding her father, who is also her manager.

But speaking at Wimbledon, Graf sidestepped the issue of whether she might move.

"The family is very close together," Graf said. Her mother, Heidi, is at Wimbledon and her parents have made it clear that they are united.

"There is no doubt about that," she said. "We have always been very close and we always could talk about everything, and nothing has changed at all. I think it brought us together more maybe."

[In the Stern interview, Graf said she was toying with the idea of moving permanently from her family home in Brühl, West Germany, to Florida, where she has a home in Delray Beach, United Press International reported.

["I was destroyed by an adversary who wasn't even on the court," Graf said in the interview, referring to her recent losses in Berlin and at the French Open. "I didn't do any harm to these press people.

["I hate these people. I will never stop hating these people who want to destroy my family just because they want to increase their circulation. I can't take this for much longer."]

■ Sánchez Vicario Upset

Robin Finn of The New York Times reported from Wimbledon:

In contrast to the men's portion of the opening proceedings, where seeded players made their worst showing since 1927, the plethora of women's first-round matches played Tuesday produced just one major upset, that of Arantxa Sánchez Vicario.

There was also a minor one that quickened the local pulse as Sarah Gomer of England knocked off eighth-seeded Manuela Maleeva.

Sánchez, the 1989 French Open champion, has not yet become at ease on grass despite the volleys she added to her game at the request of her new coach, Mike Estep.

She fumbled away four match points and was defeated, 1-6, 7-6, 9-7, by Betsy Nagelsen, the experienced American who is making her 17th and perhaps final visit to Wimbledon.

"I didn't have the luck when I had to win the points," said the sixth-seeded Spaniard, who only lasted three rounds at Paris last month. "I'm accepting this very well. For me, there is next year."

Gomer scored her upset in straight sets, defeating Maleeva by 6-2, 6-3.

After cruising to victory, Graf said that she would not let outside interests detract from her tennis here.

"I'm going to be very strong, very eager," said Graf, whose appetite for the attack on what would be her third Wimbledon title in a row returned as soon as she stepped onto Center Court. "I'm concentrating very much on tennis. Wimbledon is the most special, the toughest, and the best tournament to win."

The youngest woman in the draw, Capriati, found opening day exhilarating. Capriati, seeded 13th, skipped on and off Center Court and got almost as big a kick out of curtseying to the royalty as she did in winning her first match, against Helen Kelesi of Canada.

■ Navratilova on Agassi

Martina Navratilova had some words for Andre Agassi, the fifth-ranked men's player in the world, who skipped Wimbledon again, The Washington Post reported.

Agassi has not played there since a first-round loss in 1987, saying it does not fit his schedule.

"I still laugh at his reasons for not playing," Navratilova said. "This is Wimbledon. It's like a football player who skips the Super Bowl because he has to get ready for spring training."

April's Nobodies Sometimes Shine in NBA Draft

The Associated Press

NEW YORK — Every year, players on nobody's top 10 list in April are hits in the National Basketball Association draft in June.

The National Collegiate Athletic Association tournament is one way a prospect can show scouts what he can do. A final chance is in pre-draft camps in Orlando, Florida; Portsmouth, Virginia, and Chicago.

Willie Burton of Minnesota, who was voted the most valuable player in Orlando; Dave Jamerson of Ohio University, the MVP in Portsmouth, and Jerrod Mustaf of Maryland, a standout in Chicago, were among the names expected to show up in the first round of Wednesday's draft.

"I averaged 27 points and seven-eight rebounds in four games down there," said Burton, a forward for the Gophers who is expected to move to guard in the NBA. "It gave me a chance to prove myself."

Burton averaged 19.3 points as a senior at Minnesota and scored 35 points in an NCAA tournament game against Georgia Tech. But there were doubts about his ballhandling skills.

"I answered that question in Orlando about the transition to guard," Burton said.

Marty Blake, chief of NBA scouting, said the pre-draft camps "give scouts a chance to see good players going against other good players. There aren't enough matchups like that in college."

Jamerson, a guard, probably made himself a first-rounder with his performance at Portsmouth.

"Teams aren't enthralled with the Mid-American Conference, even when you're the Player of the Year and average 30 points like Jamerson did," Blake said. "But when he averaged 30 points at Portsmouth, he did it against good players."

With the No. 1 pick in the draft, the New Jersey Nets were expected to select Derrick Coleman of Syracuse. Following New Jersey, the next three picks belong to Seattle, Denver and Orlando, and it was expected that three perimeter players — Gary Payton of Oregon State, Dennis Scott of Georgia Tech and Chris Jackson of Louisiana State — would be taken quickly, but not necessarily in that order.

■ Judge Backs Celtics

A federal judge in Boston upheld on Tuesday the validity of the Boston Celtics' five-year, $6.2 million contract with Brian Shaw, ordering the guard to honor his pact with the NBA team, United Press International reported.

"That's the contract. He signed it, and he's bound by it," U.S. District Court Judge A. David Mazzone said. He enjoined Shaw from playing for any team but Boston through 1994.

After his rookie season in Boston, Shaw surprised Celtics brass by signing a two-year, $1.8 million pact with Il Messaggero in Italy.

■ Nets Trade Hopson

As they prepared for the draft, the Nets found time Tuesday to make their second trade in two days, sending Dennis Hopson to Chicago for three draft picks and future considerations, The New York Times reported.

Hopson, a shooting guard, became expendable after the Nets acquired Reggie Theus from Orlando on Monday.

■ McCray to Mavericks

The Sacramento Kings traded veteran forward Rodney McCray to the Dallas Mavericks on Tuesday, in exchange for the 14th and 18th picks in the draft, The Associated Press reported from Dallas.

The Kings now have the 7th, 14th, 18th and 23d picks, the most any team has ever had in the first round. The Mavericks, who also got a 1991 second-round pick from the Kings, have just one selection in the draft, the 49th. The Mavericks also sent backup center Bill Wennington to the Kings.

Reuters

Johnson: The Dubin report said that sports bodies, not the government, should decide his case.

Report Leaves Status Of Johnson in Limbo

The Associated Press

OTTAWA — The Canadian sprinter Ben Johnson's status remained in limbo following the release of a report by the Dubin inquiry into drugs in sports.

In the report, which was made public here Tuesday, Chief Justice Charles Dubin said sports federations and Olympic organizations should determine whether Johnson, who was barred from competition after testing positive for steroids at the 1988 Olympics, is allowed to compete again.

A ban on Canadian funding for Johnson should be maintained, said Dubin, but he added that the athlete should be able to appeal his case to an independent arbitrator.

The 638-page report criticized the Olympic movement and Athletics Canada, which was until recently known as the Canadian Track and Field Association, for the widespread use of steroids and other banned performance-enhancing drugs in international sports.

The report said the reality of international competition is a far cry from the noble sentiments and lofty ideals of the Olympics.

"The reality has not until recently been widely known, but the conspiracy of silence has now been broken and the truth revealed," the report said. "Truth is not always pleasant."

It said Johnson's case should be reviewed in view of circumstances such as the influence of his coach and physician, his long-time use of banned substances, his participation for many years in the conspiracy of silence and his public denial of wrongdoing until he appeared before the Dubin inquiry.

"Those who cheated have threatened the very future of sport and tarnished its reputation, perhaps irreparably," the report said. "They have also unfairly cast a cloud of suspicion over the majority of athletes who abide by the rules and have threatened their future financial support from governments, corporations and the general public."

The report added that athletes were not acting alone in using drugs.

"The athletes who cheat must bear their full share of responsibility for the damage they have done to themselves and to sport, but they should not be held solely responsible," the report said. "Until now the focus has been only on the athletes. It is obvious that a broader net of responsibility will need to be cast. Coaches, physicians, therapists and others involved in the care and training of athletes cannot escape responsibility for the sorry state of sport today."

The report also said that "the failure of many sport-governing bodies to treat the drug problem more seriously and to take more effective means to detect and deter the use of such drugs has also contributed in large measure to the extensive use of drugs by athletes."

Some of the report's other recommendations:

- Johnson's coach, Charlie Francis, should be prohibited from receiving federal funding. Francis led his athletes to "accept cheating and lying as an acceptable way of life."
- The Ontario College of Physicians and Surgeons should review the actions of Dr. Mario Astaphan, who regularly supplied Johnson with steroids.
- Sports bodies, not the federal government, should determine who is eligible to compete.

Lewis Got Money as Student

In Book, U.S. Sprinter Reveals NCAA Rules Violation

The Associated Press

NEW YORK — Carl Lewis has revealed that his professional life started earlier than it should have — when he was still a student.

In his new book, "Inside Track, My Professional Life in Amateur Track and Field," the outspoken Lewis disclosed that he was given money by Nike while competing for the University of Houston — a violation of National Collegiate Athletic Association rules.

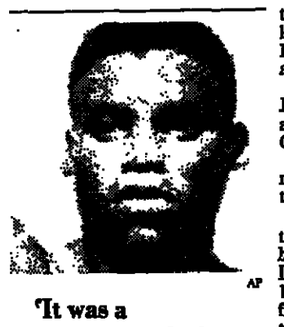
The Nike contract in 1980 was for the modest sum of $5,000 with provisions for bonuses. Later, it was renegotiated into a four-year deal with a base figure of $200,000, plus bonuses for winning Olympic gold medals, achieving top rankings in the 100-meter dash and long jump, and setting world records.

A Nike spokeswoman, Liz Dolan, said Tuesday that the company knew it was violating NCAA rules when it signed Lewis while he was still a student.

"It was not a conscious violation of the rules," she said. "We thought Carl deserved the support at a time when athletes didn't have the means to support themselves while training. We were happy to support one of America's most promising athletes."

Dolan said Nike's relationship with Lewis began in 1981 when he approached the apparel company with a list of terms. She also said Lewis was a student for only the first four months of their six-year relationship.

Lewis wrote that while at Houston he was introduced to lucrative appearance fees and performance bonuses paid by promoters in Europe, where track and field is a major sport.



AP

'It was a common belief on the circuit that Griffith Joyner used drugs.'

Carl Lewis

Lewis also disclosed that as a high school star he received offers of money, gifts and equipment contracts from coaches trying to recruit him for their colleges.

In the book, Lewis attacks several people and organizations, including Ben Johnson, Edwin Moses, Florence Griffith Joyner, the U.S. Olympic Committee and The Athletics Congress.

Lewis said he knew Johnson, who was stripped of his 1988 Olympic gold medal and world record after testing positive for steroids, had been using drugs since 1985 and was on them in 1987, when Lewis lost to him at the World Championships in Rome. At that meet, Johnson set the world record of 9.83. He was later stripped of that mark, and Lewis, the second-place finisher at 9.92, was given the record.

Lewis also wrote that Griffith Joyner, who won three gold medals and a silver medal at the 1988 Olympics, used drugs.

But he said he had no documentation to support his allegation.

"I had never seen either of them use drugs," he said. "But I had the same type of information I had had about Ben Johnson in 1987, comments I picked up from other athletes and coaches I trusted who had more direct knowledge through conversations with Florence and others around her. It was a common belief on the track circuit that Florence had used drugs."

Lewis accuses TAC of "killing" the sport in the U.S. by not promoting it properly. For that reason, he boycotted the 1989 national championships in his home town of Houston, and encouraged other elite athletes to join him.

But recently, Lewis has praised the group, saying it now appears to be taking the sport forward.

Another organization attacked by the six-time Olympic gold medalist is the U.S. Olympic Committee. It "loves policies, especially if they are outdated and inflexible," he writes.

The reference is to the committee's demand that Lewis stay in the Olympic Village with the other athletes during the 1984 Los Angeles Olympics. He said this caused him to lose concentration in an attempt to match Jesse Owens's four golds at the 1936 Games.

SCOREBOARD

BASEBALL

Major League Standings

AMERICAN LEAGUE

East Division	W	L	Pct.	GB
Boston	41	29	.586	—
Toronto	41	32	.562	1½
Cleveland	34	35	.493	6½
Milwaukee	32	37	.464	8½
Detroit	34	40	.459	9
Baltimore	31	40	.437	10½
New York	26	42	.382	14
West Division				
Oakland	45	25	.643	—
Chicago	43	25	.632	1
California	37	34	.507	9½
Minnesota	35	36	.493	10½
Seattle	35	38	.479	11½
Kansas City	30	39	.435	14½
Texas	31	41	.431	15

NATIONAL LEAGUE

East Division	W	L	Pct.	GB
Pittsburgh	41	28	.594	—
Montreal	42	30	.583	½
New York	38	29	.567	2
Philadelphia	34	35	.493	7
St. Louis	29	42	.408	13
Chicago	29	44	.397	14
West Division				
Cincinnati	45	23	.662	—
San Diego	35	33	.515	10
San Francisco	36	34	.500	11
Los Angeles	35	36	.493	11½
Houston	29	42	.408	17½
Atlanta	27	42	.391	18½

Tuesday's Line Scores

AMERICAN LEAGUE

Toronto 000 000 000—0 4 0
Boston 120 000 00x—3 7 0
Wells, Acker (8) and Myers; Borders (7); Gardner, Murphy (7), Reardon (9) and Pena. W—Gardner, 2-4. L—Wells, 5-2. Sv—Reardon (12). HR—Boston, Quintana (3).

Milwaukee 010 010 000—2 9 1
New York 110 000 12x—5 12 0
Powell, Crim (7) and Surhoff; Hawkins, Guetterman (7) and Geren, Nokes (9). W—Guetterman, 5-2. L—Powell, 5-2. HRs—Milwaukee, Parker (9). New York, Nokes (7).

Texas 000 110 110—4 9 0
Minnesota 001 011 02x—5 6 0
Brown and Jo. Russell; R. Smith, Berenguer (7), Aguilera (9) and Harper. W—Berenguer, 5-1. L—Brown, 9-5. Sv—Aguilera (19). HR—Texas, Coolbaugh (2), Palmer (1), Incaviglia (12).

Cleveland 110 000 100—3 7 1
Baltimore 001 100 010—3 9 2
Swindell, Seanez (7), D. Jones (8) and Alomar; Hornisch, Price (9) and Tettleton. W—D. Jones, 4-2. L—Hornisch, 7-4. HRs—Cleveland, Jacoby (10), Snyder (10).

Detroit 020 000 000—2 5 1
Oakland 120 000 00x—3 4 2
Morris and Heath; Sanderson, Burns (7), Eckersley (9) and Hassey. W—Sanderson, 9-4. L—Morris, 6-9. Sv—Eckersley (24).

Kansas City 200 001 100—4 10 0
Seattle 000 001 00x—1 7 1
Gordon, Montgomery (9) and Macfarlane; Holman, Swift (9) and Valle. W—Gordon, 5-4. L—Holman, 6-6. Sv—Montgomery (6). HR—Kansas City, B. Jackson (10).

Chicago 011 007 002—11 17 3
California 000 011 010—3 8 1
Peterson, Pall (7), Edwards (7), Radinsky (7), B. Jones (7), Thigpen (9) and Karkovice; Blyleven, Bolles (6), Fraser (6), Eichhorn (9) and Parrish. Orton (7). W—B. Jones, 9-1. L—Eichhorn, 8-4. Sv—Thigpen (25). HRs—Chicago, Karkovice (3), Calderon (7), Kittle (11). California, Bichette (8), Joyner (8).

NATIONAL LEAGUE

Montreal 000 003 201—6 11 0
Chicago 000 002 210—5 12 0
Boyd, Schmidt (7), Frey (9) and Fitzgerald; Maddux, Assenmacher (7), Lancaster (8), Wilson (9) and Villanueva, Girardi (7). W—Schmidt, 3-0. L—Lancaster, 3-4. Sv—Frey (4). HRs—Montreal, Galt (1). Chicago, Sandberg (22), Dawson (18).

Philadelphia 000 000 000—0 5 0
Pittsburgh 000 000 01x—1 6 0
Rutfin and Daulton; Patterson, Ruskin (8), Belinda (9) and Slaught. W—Ruskin, 2-1. L—Ruffin, 5-7. Sv—Belinda (2).

Los Angeles 100 000 001—2 6 1
Atlanta 201 000 01x—4 9 0
Morgan, Crews (7) and Deapsley, Sciscia (8); Avery, Kerfeld (8), Hesketh (9) and Olson. W—Avery, 1-1. L—Morgan, 7-6. Sv—Hesketh (3).

San Francisco 200 000 000 000—2 6 1
Cincinnati 010 000 100 001—3 11 0
(12 innings)
Garrelts, Brantley (8), Thurmond (11) and Carter; Jackson, Dibble (8), Myers (11) and Oliver. J. Reed (11). W—Myers, 3-2. L—Thurmond, 1-1. HRs—San Francisco, Mitchell (19). Cincinnati, E. Davis (9).

San Diego 102 102 001—7 15 0
Houston 000 000 000—0 7 0
Rasmussen and Parent; Clancy, Hernandez (5), Schatzeder (6), Darwin (8) and Biale. W—Rasmussen, 7-4. L—Clancy, 2-8.

New York 111 102 000 02—6 14 1
St. Louis 022 000 101 00—5 15 0
(11 innings)
Darling, Musselman (6), Innis (6), France (8), Penn (10) and Sasser. Marcade (10); B. Smith, Horton (5), Terry (6), DiPino (6), Niedenfuer (8), Dayley (9) and Zeile. W—Penn, 2-2. L—Dayley, 1-2. HRs—New York, Elster (6). St. Louis, Zeile (8).

Japanese Leagues

Central League

	W	L	T	Pct.	GB
Yomiuri	38	25	0	.603	—
Taiyo	30	28	2	.517	5½
Hiroshima	29	30	1	.492	7
Chunichi	29	31	1	.483	7½
Yakult	27	32	0	.458	9
Hanshin	27	34	0	.443	10

Pacific League

	W	L	T	Pct.	GB
Seibu	37	19	1	.658	—
Orix	34	20	2	.425	2
Nippon Ham	30	26	0	.536	7
Kintetsu	26	30	1	.464	11
Lotte	21	29	1	.420	13
Daiei	15	39	2	.298	21

WEDNESDAY'S RESULTS

Yakult 4, Yomiuri 3
Taiyo 5, Chunichi 3
Lotte 8, Kintetsu 5, 10 innings

TRANSACTIONS

BASEBALL
American League

TEXAS—Assigned Monty Farris, shortstop, to Oklahoma City, American Association from Tulsa, Texas League.

National League

CHICAGO—Exercised the option year on Don Zimmer, manager, for the 1991 season. Extended the contract of Jim Frey, general manager, through 1992.

MONTREAL—Put Tim Raines, outfielder, on the 15-day disabled list, retroactive to June 25. Bought contract of Eric Bullock, outfielder, from Indianapolis, American Association.

PITTSBURGH—Acquired Jay Tibbs, pitcher, from Baltimore for player to be named later.

SAN FRANCISCO—Waived Bob Knepper, pitcher. Called up Gil Heredia, pitcher, from Phoenix, Pacific Coast League.

BASKETBALL
National Basketball Association

DETROIT—Exercised the option year on John Salley, forward.

MIAMI—Traded the No. 3 choice in the 1990 draft to Denver for the Nos. 9 and 15 choices.

PHILADELPHIA—Traded Scott Brooks, guard, to Minnesota for a second-round draft pick in 1990.

FOOTBALL
National Football League

GREEN BAY—Signed Charles Wilson, wide receiver, and Jerome Martin, safety.

HOCKEY
National Hockey League

DETROIT—Signed Per Djoos, defenseman, to a two-year contract.

N.Y. RANGERS—Bought Sam St. Laurent, goaltender, from Detroit.

TRACK AND FIELD

THE ATHLETICS CONGRESS—Suspended Mike Stulce, shot putter, for two years after he tested positive for high testosterone levels.

COLLEGE

DARTMOUTH—Named Barbara Kirch women's rowing coach. Nancy Nitardy, women's swimming coach, resigned.

DELGADO COMMUNITY COLLEGE—Louis "Ross" Scheuermann, baseball coach, resigned. Named Joe Scheuermann baseball coach.

DUKE—Named Jay Loviclus men's tennis coach.

JOHN JAY—Named Wilhemena LaSane women's basketball and softball coach; Patrick Mangan men's tennis coach and Davidson Umeh men's soccer coach.

KINGS POINT—Named Susan Petersen Lubow athletic director.

MARYLAND—Named Tom Bradley men's baseball coach.

NYU—Named Sonny Greenholsh wrestling coach.

NIAGARA—Named Jim Coen women's basketball coach.

NORTH DAKOTA—John "Gino" Gasparini, athletic director, resigned. He will remain hockey coach.

OHIO STATE—Suspended Carlos Snow, running back, and Vinnie Clark, cornerback, pending the outcome of an investigation, after their arrest for drunken driving and assault.

PURDUE—Said that Carol Madsen, guard, is transferring to Xavier, Ohio.

TENNIS

Wimbledon

MEN'S SINGLES
Second Round

Jonas B. Svensson (10), Sweden, def. Malivai Washington, U.S., 6-3, 6-3, 6-4; Michael Stich, West Germany, def. Aki Rahunen, Finland, 6-2, 7-5, 6-3; Mark Koevermans, Netherlands, def. Gilad Bloom, Israel, 7-5, 6-4, 6-3; Guy Forget (11), France, def. Eric Jelen, West Germany, 7-6 (7-4), 6-7 (5-7), 6-1, 6-2; Nicles Kroon, Sweden, def. Ramesh Krishnan, India, 6-3, 2-6, 6-3, 6-3; Paul Haarhuis, Netherlands, def. Darren Cahill, Australia, 7-5, 5-7, 7-6 (9-7), 4-6, 6-3;

Juan Aguilera, Spain, def. Wayne Ferreira, South Africa, 6-3, 7-6 (7-2), 7-5; David Wheaton, U.S., def. Paul Annacone, U.S., 6-4, 1-6, 6-4, 6-7 (3-7), 6-4; Alexander Volkov, U.S.S.R., def. Christo Van Rensburg, South Africa, 7-5, 6-4, 7-6 (8-6); Brad Gilbert (7), U.S., def. Danie Visser, South Africa, 5-7, 6-3, 6-2, 6-2;

Dan Goldie, U.S., def. Ken Flach, U.S., 6-3, 6-4, 6-4; Boris Becker (2), West Germany, def. Wally Masur, Australia, 6-7 (5-7), 6-2, 6-3, 6-2; Goran Ivanisevic, Yugoslavia, def. Olivier Delaitre, France, 6-2, 6-8, 4-6, 6-7 (5-7), 6-3; Derrick Rostagno, U.S., def. Jeremy Bates, Britain, 6-1, 3-6, 6-4, 6-1; Marc Rosset, Switzerland, def. Kelly Jones, U.S., 3-6, 6-7 (5-7), 6-3, 7-5, 6-3; Pat Cash, Australia, def. Johan Anderson, Australia, 6-2, 6-3, 7-6 (8-6).

WOMEN'S SINGLES
Second Round

Claudia Kohde-Kilsch, West Germany, def. Donna Faber, U.S., 6-2, 6-0; Ann Henrickson, U.S., def. Hana Mandlikova, Australia, 6-3, 6-3; Zina Garrison (5), U.S., def. Cecilia Dahlman, Sweden, 6-2, 6-1; Joanne Faull, Australia, def. Toni Whittinger, U.S., 6-2, 6-3; Alexia Dechaume, France, def. Nicole Provis, Australia, 3-6, 6-3, 6-2;

Helena Sukova (10), Czechoslovakia, def. Nicole Jeserman, Netherlands, 6-4, 4-6, 7-5; Andrea Leand, U.S., def. Laura Garrone, Italy, 5-7, 6-4, 7-5; Elna Reinach, South Africa, def. Sarah Loosemore, Britain, 6-3, 7-5; Monica Seles (3), Yugoslavia, def. Camille Benjamin, U.S., 6-3, 7-5; Patty Fendick, U.S., def. Susan Sloane, U.S., 6-2, 6-4;

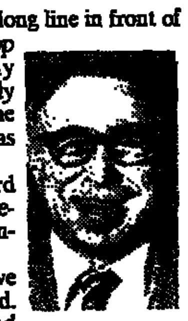
Anne Minter, Australia, def. Terry Phelps, U.S., 6-0, 6-1; Jana Novotna (13), Czechoslovakia, def. Carrie Cunningham, U.S., 6-2, 6-1; Steffi Graf (1), West Germany, def. Meredith Mcgrath, U.S., 6-3, 6-0; Jennifer Capriati (12), U.S., def. Julie Halard, France, 6-2, 7-6 (7-2); Angelica Gavaldon, U.S., def. Sara Gomer, Britain, 7-5, 0-6, 7-5; Robin White, U.S., def. Magdalena Maleeva, Bulgaria, 4-6, 7-5, 6-4.

ART BUCHWALD

Nasty, Nasty, Nasty

WASHINGTON — I happen to be one of the 2,000,135 persons who bought the recording "As Nasty as They Wanna Be" by a rap group called 2 Live Crew. I didn't want to buy the tape after it was banned in Florida and became a cause célèbre throughout the country, but what choice did I have?

I stood in a long line in front of the music shop holding my $9.95. The lady in front of me was as excited as I was.



"I never heard a rap tape before," she confessed.

"Neither have I," I admitted. "I understand that this one is really disgusting."

The lady said, "My grandson tells me that there are a lot worse tapes on sale. Why do you think they picked on 'As Nasty as They Wanna Be'?"

"The sheriff of Broward County probably has a son who plays it all day long and he couldn't take it any more."

The man standing behind me joined in the conversation. "Why would they censor music?"

"It's not the music — it's the lyrics," I explained. "These are supposed to be the filthiest words ever put to music. They are just awful."

The lady said, "I wonder if they'll let you buy two."

□

The man sounded puzzled, "What can lyrics in a song do to provoke your prurient interests?"

I said, "This is a free country, but that doesn't mean you can cry 'fire' in a crowded record shop."

"I'm glad they never censored 'The Sound of Music.' That was my favorite," the lady told us.

"Are you really going to play 'As Nasty as They Wanna Be' at home?" I asked her.

"I doubt it. I'll probably just stick it in my purse to use as a weapon in case someone attacks me."

"Why are you buying it?" the man wanted to know.

"Someday I hope to be block warden in my neighborhood, and I need to know what is good for the public and what isn't. It's my understanding that this tape might drive some people to commit unforgivable acts of violence."

"You mean the words could do that?"

"No, the music. The beat will drive them mad."

"Do you think they'll pull other records off the shelves?" the man asked.

"I should hope so," I said. "Censoring rap music could be the biggest gut issue of the next election campaign. Candidates are going to be falling all over themselves demanding the death penalty for those who play a record."

□

Four hours later we reached the counter and the clerk behind it handed me the tape in a brown paper bag.

I took it home, locked all the doors, pulled down the shades and placed the cassette in my recorder. When it began it was a jumble of sounds. I couldn't understand a word. I put it into another tape machine to check it, and once again it was unintelligible.

In a fury, I returned to the music store and told them, "I can't understand one dirty lyric on this tape."

The salesman said, "We never promised you 'My Wild Irish Rose.'"

France Publishes Art Theft Listing

The Associated Press

PARIS — The French government has published a detailed catalogue of art works stolen from its national collections from 1979 to 1989.

One finding in the catalogue is that 57.5 percent of museum thefts have been from storage rooms, probably inside jobs, and only 40 percent from exhibition spaces.

The catalogue, published jointly by the Department of National Museums and the Interior Ministry, is being distributed to police, museum and customs officials, art dealers, auctioneers and experts in an effort to track down stolen art and prevent resale.

The catalogue lists 200 stolen works, provides photographs of each work, says when and from where it was stolen, and gives pertinent information on the artist.

Soft Life, Big City: Indian Novelist at Work

By Steve Coll
Washington Post Service

NEW DELHI — Upamanyu Chatterjee, acclaimed novelist and listless civil servant, spends his working days in a sickly yellow room with pockmarked concrete walls, bamboo matting and a merciful cooling fan lodged in a far window.

But at the moment, he is absent from his office. Chatterjee, like any Indian bureaucrat of his rank and slothful ingenuity, can avoid purposeful work for weeks on end. One method is simply to disappear for long stretches of the heat-soaked day, safe in the assumption that no one else in the government will notice.

The fat woman who shares Chatterjee's office, the one-armed peon who enters to dump string-wrapped files into his "in" box, the limping maintenance worker who hauls a dripping hose to fill the cooling fan with water — none can say where Chatterjee has disappeared to or when he may return. "After some time," they say.

Thirty minutes pass in silence. Chatterjee's telephone rings. No one answers, and the ringing ceases. It rings again. Still no one moves. And again. The fifth time, the fat woman, a fellow civil servant, picks it up and shrieks. "No, I am not Mr. Chatterjee, nor am I his PA!" (PA means secretary.) "Kindly instruct Mr. Chatterjee to leave his PA in his room whenever he leaves his room, in a very responsible manner! Do you understand that?!!" She slams down the phone.

It is an hour before Chatterjee, a slim 30-year-old man with hooded eyes and a remote air, slinks into the office and settles into the thronelike chair behind his desk. He offers coffee to the fat woman, but she politely refuses. Chatterjee scribbles a note and hands it unobtrusively to his visitor. "She's a nut," it reads.

Upamanyu Chatterjee is in some ways the Jay McInerney of India — a precocious, sarcastic writer catapulted to renown by a first novel that captures in the voice of its narrator the alienated bemusement of a young generation of educated, urban Indians.

Like McInerney's "Bright Lights, Big City," which satirized the precious pretensions of The New Yorker magazine, Chatterjee's "English, August" bulldozed through a sacred temple of India's intellectual elite — the Indian civil service, last refuge of the Brahmans, babus and glorified clerks who have governed the subcontinent since the days of the British Empire, and still the country's most important and influential public institution.

An obvious difference is that while McInerney kissed and told after he left The New Yorker,

> **Chatterjee captures the alienated bemusement of a generation of urban Indians.**

where his name presumably is now mud, Chatterjee still works in the belly of the institution he satirized, currently as the undersecretary for establishment and general administration in the Department of Culture in the Ministry of Human Resources.

It is difficult to explain why his career as an elite civil servant has not been tarnished by a novel that describes many of his colleagues as overweight, lazy, confused and arbitrary drones who show up for work at 11, take lunch at noon, sleep until 4, then return to the office to sign a few papers and go home to drink, eat and play cards.

But not only has Chatterjee escaped reprimand for his unflattering portrait of India's civil service, he has received a sort of promotion. About a year after the book was published in 1988, he was assigned to the Department of Culture, where the bureaucratic powers figured a budding novelist should be posted — even if Chatterjee's duties irrelevantly involve supervising the vacation leaves and car loans and housing allowances of other bureaucrats in his department.

"Some have read it, but not a lot," he says of his superiors' benign reaction to his novel. "There hasn't yet been a totally unfavorable review, but there have been some who felt the book was not fair in its entirety. Some others felt it was far too filthy, far too bawdy. But on the whole, the reactions have been favorable."

The reason lies partly in the elliptical and stunningly tolerant culture of India — Chatterjee calls it "the Hindu tradition" — wherein dissent is not usually quashed or rejected, but rather absorbed, or ignored, or talked about until it becomes part of an ever-broadening consensus.

So it is that "English, August," far from generating controversy within the Indian bureaucracy it describes, has been embraced as one of the bureaucracy's achievements. And Chatterjee, instead of assuming the angry stance of a writer exiled from the state, has settled rather nicely into his public career, wandering the hallways of his vast ministry by day, as he puts it, "finding out how many peons there are in the department and what they do," while scribbling a sarcastic sequel to his novel in his off hours.

He has decided, he says, to remain in the civil service for good. He expects to be posted to Bombay next year, when he hopes his second novel will be published. Here again is the literary condition in India: There is no screenplay deal in the offing, despite the enthusiastic reviews of his novel in India's English-language press and in Britain. There can be no tenure track teaching creative writing to underclassmen; the system doesn't work that way.

The uncomfortable truth, which Chatterjee appears to accept, is that an educated Brahman who has been fortunate enough to land at the top of the Indian social and governmental hierarchy simply does not leave. Writing novels may be a pastime, but the civil service is a lifetime.

Chatterjee has made the calculations already — next year he will be transferred to the finance ministry, or the income tax department, or some other obscure corner of the Indian government's sprawling infrastructure. The civil service will provide him with a two- or three-bedroom apartment in Bombay's poshest waterfront neighborhood for just $18 a month in rent, and probably a car and driver too. Then there is the lifetime job guarantee, and the salary, and the immeasurable prestige of belonging to the civil service.

"You come to that invisible quality. Maybe prestige is the wrong word, maybe it's a class-oriented word. But I can't think of a better one," he says. "It does make a difference if you tell people, even now, in a big city, if you tell them that you are in the service. It's difficult to pinpoint, but it's there.

"I would like to write all the time, but I've found out that I can't. Economically, because — maybe the next book will get a bigger advance, but for this I didn't get much. And personally, because I can't write so much every day." He once considered abandoning the civil service, but now "there's no question of copping out."

"I feel completely at home in the absurdities of India," he says. "I like it here. It's a soft life."

Chatterjee does not work for the government because he thinks he can change India or make it a better place, he says. He joined the civil service because everybody else he knew wanted to, because at Delhi University, "It's really like breathing: You take the exam."

Like many English-speaking Indian intellectuals, Chatterjee lives somewhat uncomfortably between the inexorable pull of India and the enticements of the West. Chatterjee bristles when he talks about expatriate Indian writers whose work he partially admires — Salman Rushdie, V.S. Naipaul — because he thinks they don't belong to India at all; the India that they write about is an India of memory, not of experience.

Steve Coll/The Washington Post

Upamanyu Chatterjee, author of "English, August."

PEOPLE

Bolivian Brothers Win Lambada Royalty Fight

Two Bolivian brothers who claimed to be the composers of the hit Lambada dance song have won their copyright battle for royalties on millions of records it has sold. The French musical copyright organization SACEM ruled **Gonzalo** and **Ulises Hermosa** were the real composers of the Lambada song which inspired the sensual South American dance that swept Europe and North America last year and sold five million singles. **Jean-Loup Tournier**, director-general of SACEM, said that the French composer **Olivier Lorsac** had unduly claimed authorship of the song.

□

Hugh Southern's resignation as general manager of the Metropolitan Opera, announced on Friday and effective this Sunday, was a dismissal, executives and employees of the company told The New York Times. Members of the Met's board and staff decided he was the wrong man for the job because of his passivity and failure to seize command of the company, the Times said.

□

The author **James Michener** and his wife, **Mari**, have bestowed more money upon the University of Texas — $3 million in gifts and pledges to encourage writers. Michener donated $1 million to establish the Texas Center for Writers four years ago. . . . **Laurance S. Rockefeller** has given Princeton University $21 million to create a center for the study and teaching of human values. . . . **Paul Mellon**, a member of one of the families that founded Carnegie Mellon University, has given $5 million to the school to be used toward the construction of a $10 million performing arts center.

□

The actor **James Caan** will wed a woman raised in the same New York City neighborhood where he grew up two decades earlier, his publicist said. Caan, 49, and **Ingrid Hajek**, 29, plan to marry later this year.

□

The rap group **2 Live Crew**, whose "As Nasty as They Wanna Be" album was declared obscene in South Florida, will parody the **Bruce Springsteen** hit "Born in the U.S.A." as "Banned in the U.S.A." Springsteen agreed to use of the parody.

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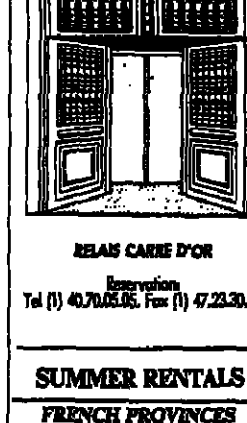

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